

# Merton Council

## Cabinet

10 November 2014

### Supplementary agenda

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## **Committee: Cabinet**

**Date: 10 November**

Wards: All

## **Subject: Change to Council Tax Support Scheme**

Lead officer: Caroline Holland – Director of Corporate Services

Lead member: Councillor Mark Allison

Forward Plan reference number:

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### **Recommendations:**

- A. To agree to the uprating changes for the 2015/16 council tax support scheme detailed in this report in order to maintain low council tax charges for those on lower incomes and other vulnerable residents. .

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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. This report details the proposed minor changes to the council tax support scheme to ensure that the level of support awarded stays in line with the old council tax benefit scheme had it continued and therefore residents are not worse off due to the new scheme.
- 1.2. That cabinet recommends to full Council that it agrees to implement recommendation A above

## **2 DETAILS**

- 2.1. As part of the Spending Review 2010, the Government announced that it intended to localise council tax benefit (CTB) from 1 April 2013 with a 10% reduction in expenditure. These plans were included as part of the terms of reference for the Local Government Resource Review and as it currently stands, the Welfare Reform Bill contains provisions to abolish CTB.
- 2.2. Following a formal consultation exercise full Council on the 21 November 2012 agreed to absorb the funding reduction and adopt the prescribed default scheme in order to maintain low council tax charges for those on lower incomes and other vulnerable residents.
- 2.3. On the 20 November 2013, full Council agreed to continue with the same scheme into 2014/15 although it agreed to “uprate” the scheme.

- 2.4. Each year the Government “uprate” the housing benefit scheme and the new council tax support scheme for pensioners. This is where state pensions and benefits are increased by a set percentage and the Government also increase the applicable amounts and personal allowances (elements that help identify how much income a family or individual requires each week before their housing benefit starts to be reduced) and also non dependant deductions (the amount a non child who lives with the claimant is expected to contribute to the rent and or council tax each week).
- 2.5. The Government have stated that under the new local council tax support scheme pensioners must not be worse off and that existing levels of support for them must remain and this protection will be achieved by keeping in place existing national rules, with eligibility and rates defined in Regulations broadly similar to those that previously existed. This is known as the Prescribed pensioners scheme.
- 2.6. When full Council adopted the Governments default scheme in November 2012 it was not clear what would happen with regards to the uprating of the default scheme from April 2014 onwards. At the end of September 2013 advice was received from the Department of Communities and Local Government that if a Council did not formally agree a revised scheme for the following financial year which would include any “uprating” then its local scheme for the previous year would automatically become its default scheme and as a consequence the “uprating” would not take place and many residents would face an increased council tax bill.
- 2.7. This means that if Merton wants to continue with a council tax support scheme which is broadly similar to the old council tax benefit scheme it would have to formally consult and agree on the “uprating” every year.
- 2.8. It is estimated that if the uprating was not applied the expenditure of the scheme, if everything else remained constant, would reduce by approximately £30,000 for the year.
- 2.9. The Government will uprate the housing benefit scheme from the 6 April 2015 and the detail of this process is unlikely to be known until early December. The Government will also uprate the Prescribed pensioner scheme for council tax support from 1 April 2015. Once the detailed information is known it is proposed to use the data from these to uprate the council tax support scheme.
- 2.10. The uprating of the council tax support scheme will be effective from the 1 April 2015.
- 2.11. A formal consultation exercise regarding the change of the scheme was undertaken between 18 August 2013 and 12 October 2014. Only 23 responses were received, 11 opted to apply the uprating, 11 opted not to apply the uprating and 1 did not say. Only one comment was received – *“Adopting option 2 would severely disadvantage Merton residents”* No reasons or comments were received from those opting not to apply the uprating. The Citizens Advice Bureau fully supported the option to apply the uprating.
- 2.12. This level of response is in stark contrast to the consultation exercise undertaken in the summer of 2012 when the Council first proposed to absorb

the funding reduction and ensure that no Merton residents would be worse off due to the change in scheme. Then there were 1,007 responses of which 820 opted to retain the same level of support as council tax benefit and keep the level of contribution towards the council tax down for eligible applicants. Only 69 opted to implement a new council tax support scheme that's offers less assistance and means that certain groups of people would have to pay more council tax.

- 2.13. The Council has also consulted with our major precepting authority, Greater London Authority.

### **3 PROPOSAL**

- 3.1. That, in line with one of the key principals agreed at Council in July 2011 to keep the level of council tax down for residents, it is proposed that the Council undertakes an "uprating" of the council tax support scheme for 2015/16, so that residents who currently get financial support to pay their council tax through the council tax support scheme - who are not pensioners - continue to be assisted as if the council tax benefit scheme was still in place.
- 3.2. The percentage increases to applicable amounts and personal allowances for the housing benefit scheme will be used to uprate Merton's council tax support scheme.
- 3.3. The percentage increase for non dependant deductions for the Prescribed pensioner scheme for council tax support will be used to uprate Merton's council tax support scheme
- 3.4. These changes will keep the council tax support scheme in line with the old council tax benefit scheme had it continued and ensuring that residents receive a similar level of council tax support as if the old scheme had continued, in a similar way to the prescribed pensioners scheme.

### **4 ALTERNATIVE OPTIONS**

- 4.1. The only alternative option would be not to undertake the uprating of the scheme and continue with the existing scheme. This would result in some of the poorest residents facing increased council tax bills from April 2015.

### **5 CONSULTATION UNDERTAKEN OR PROPOSED**

- 5.1. A consultation exercise has been undertaken and the results of this are detailed in 2.11 above.

### **6 TIMETABLE**

- 6.1. The key milestones for the Council are detailed below:

| Task  | Deadline            |
|---|---------------------|
| Consultation with public and precepting authority on proposed change to the | August/October 2014 |

|   |   |
|---|---|
| scheme  |   |
| Report to full Council for agreement to proposed change to the scheme   | 20 November 2014  |
| Detailed analysis of the housing benefit and Prescribed pensioner schemes uprating to establish exact parameters to be applied for the uprating of the council tax support scheme | December 2014 – or as soon as the information is available from the Department of Work and Pensions |
| Deadline for agreement of amended scheme  | 31 January 2015   |
| Testing of IT software for amended scheme   | February 2015   |
| Implement amended scheme  | 1 April 2015  |

## **7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 7.1. Based on current expenditure for 2014/15 it is estimated that £12.8 million will be granted in council tax support for 2015/16 assuming there is no change in the council tax.
- 7.2. It is estimated that if the uprating was not applied the expenditure of the scheme, if everything else remained constant, would reduce by approximately £30,000 for the year
- 7.3. The council has recently submitted its Council Tax Base Return (CTB) to Government. This is based as at October 2014 and incorporates the latest information on council tax support and discounts and exemptions. This will be used to calculate the Council Tax Base for 2015/16 and the MTFs 2014-18 will be updated as appropriate during the budget process.

## **8 LEGAL AND STATUTORY IMPLICATIONS**

- 8.1. The Council must formally agree its council tax support scheme for 2015/16 by the 31 January 2015.
- 8.2. If a new scheme is not agreed by this date then the scheme the council administered for the previous year (2014/15) would become the default scheme for 2015/16.

## **9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 9.1. A formal consultation exercise has been undertaken. The results of this are detailed in 2.11 above and attached at Appendix 1.

## **10 CRIME AND DISORDER IMPLICATIONS**

- 10.1. Any changes to the council tax scheme which results in reductions of support will mean some residents facing an increase in their council tax bills. Some of these residents, due to the yearly uprating undertaken by the Department of Work and Pensions, would not have previously been faced with increased council tax bills. In the past it has sometimes proved difficult in collecting council tax or community charge from residents who are on limited income and or benefits.

## **11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 11.1. The Council will need to continue to closely monitor the cost of the council tax support scheme to ensure it is affordable for future years.
- 11.2. Although in 2013/14 and 2014/15 there has not been an increase in caseload, it is possible that the full impact of the welfare reform could result in more families located in inner London moving into Merton which would result in an increase in council tax support expenditure. Variations in collection rates and the level of discounts will not have an immediate financial impact on the revenue resources of the authority as these are managed via the Council's Collection Fund. Future variations in collection rates etc. will then be taken into account in following year's council tax base and council tax.

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

Appendix 1. Consultation Results

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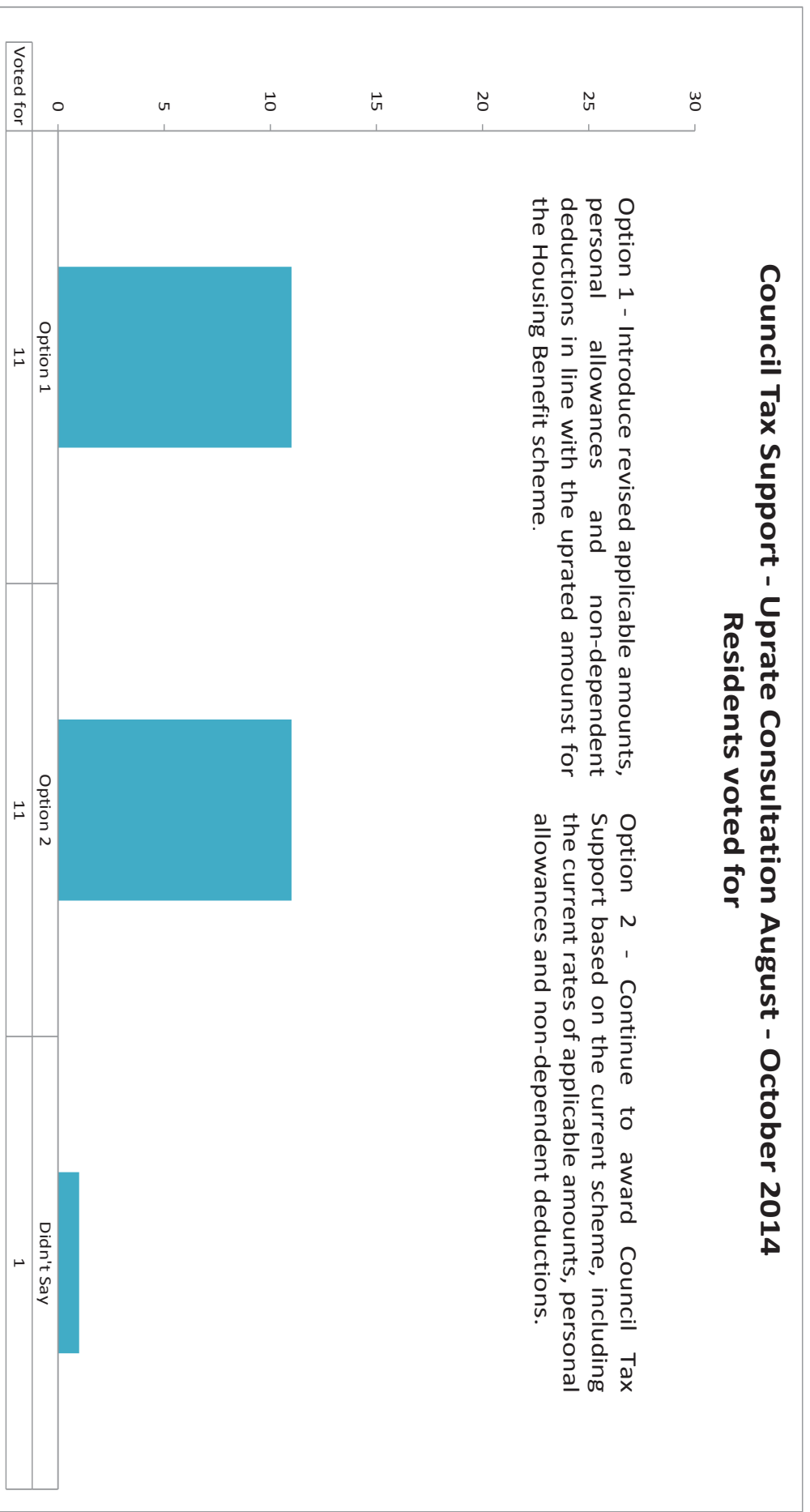
Council Tax Support – Uprate Consultation

August – October 2014

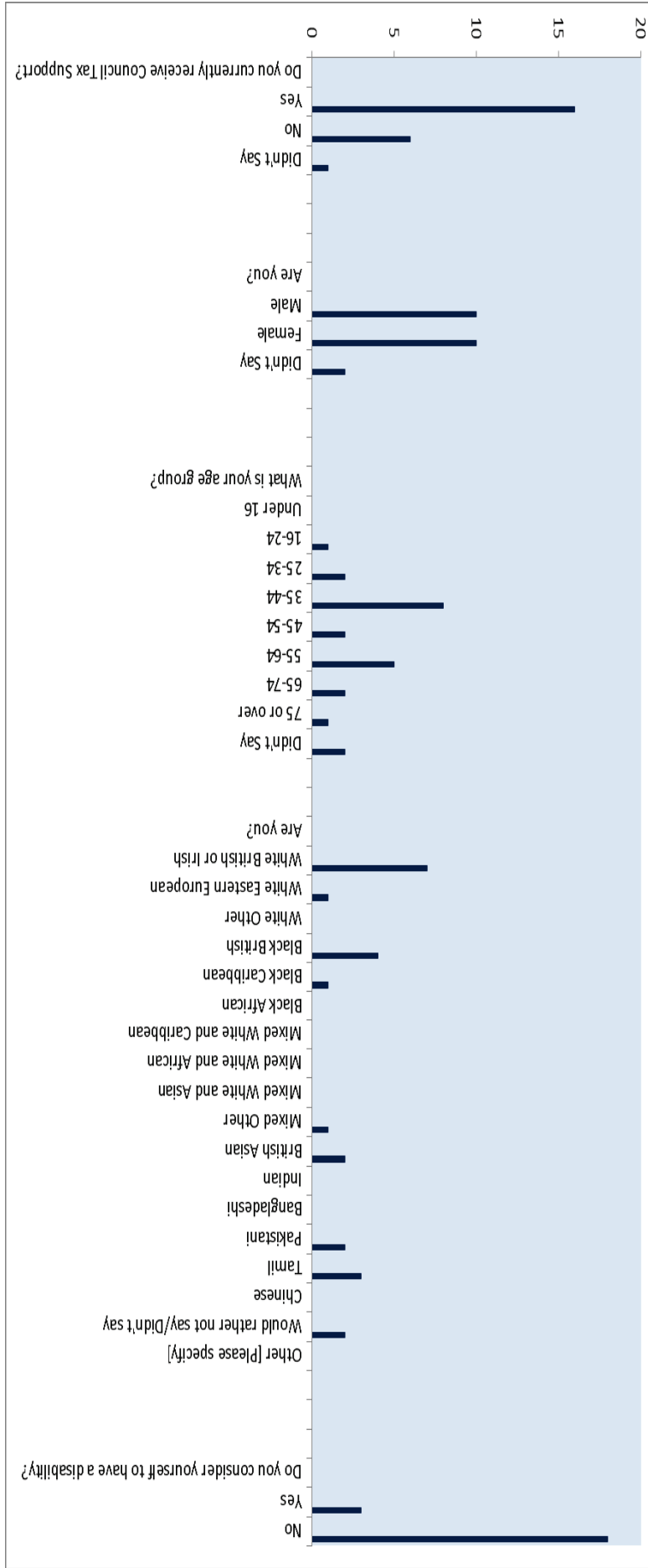
**Council Tax Support - Uprate Consultation August - October 2014**  
**Residents voted for**

Option 1 - Introduce revised applicable amounts, personal allowances and non-dependent deductions in line with the uprated amount for the Housing Benefit scheme.

Option 2 - Continue to award Council Tax Support based on the current scheme, including the current rates of applicable amounts, personal allowances and non-dependent deductions.



## Council Tax Support Uprate Consultation - Monitoring Information August - October 2014



Comments received:

Adopting option 2 would severely disadvantage Merton residents. - Received online.

APPENDIX 3 – SITES REVIEW

MORDEN LEISURE CENTRE

October 2014

|   |   | Site MLC1 - The Existing Site    |  |                                  |
|---|---|----------------------------------|--|----------------------------------|
|   |   | PROS                             |  | CONS                             |
| <b>1. Location</b>  | The leisure centre would be in the in a similar location to the existing facility.<br>Vehicular access would be shared with the existing college access – using the current access road.  | <b>G<br/>R<br/>E<br/>E<br/>N</b> | The centre might have to encroach onto land owned by the college.<br>Site development access through existing road past Register Office.<br>Heavy construction traffic – may need to consider weight bearing of access road with utilities running below.<br>Shared access.<br>New facility would be completely hidden from view and would lack prominence.<br>Continuing impact on Register Office/Morden Park House.   | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>2. Planning</b>  | The principle of the location is broadly acceptable in planning terms.<br>The structure could be erected without directly affecting other existing structures and with very minor designation / land swaps to ensure no net loss of protected open space. | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Only issue if need to encroach onto land owned by the college and extend further into protected open space.<br>Additional land was granted planning permission for sports hall under planning permission for college.<br>Land to rear of centre originally set aside for sports hall under Merton's previous Unitary Development Plan (UDP) is now overgrown with natural vegetation and is no longer designated as land for a sports hall within the Local Plan 2014<br>Within proximity of the settings of listed buildings. | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>3. Ecology &amp; Landscaping</b>                           | Vegetation could ensure that the new building does not affect the setting of the listed buildings.<br>Existing building already in situ, so less likely to have impact on local habitats  | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Site adjacent to a Site of Importance for Nature Conservation.<br>Due to the proximity of local nature reserves and records of known protected species (including bats and great crested newts), this site would require biodiversity surveys and potential mitigation measures.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>4. Archaeology</b>   | Already a building in place so less likely to be an impact.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Site wholly within Upper Morden Conservation Area and an Archaeological Priority Zone  | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>5. Timeliness</b>  |   |                                  | Demolition would need to take place before a new build, which would delay the new building going up thus extending the time before a new facility would open.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>6. Continuity of Service</b>                               |   |                                  | The existing pool would be closed during the construction phase and this would mean a loss of service for the duration of the building and a loss of customer base for the new centre once opened. This is a significant disadvantage. Schools swimming lessons and clubs would have to relocate for the duration of the demolition & build periods.   | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>7. Costs</b>   |   |                                  | Temporary loss of car and coach parking income to Parking Services during development as reduced use due to no leisure centre users.<br>Building on existing site could increase construction costs compared to bare site.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>8. Land Ownership</b>                                      | In council ownership, although extensions to build sports hall may need to encroach onto land owned by the college, should that area provide the best solution.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> | The centre might have to encroach onto land owned by the college.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>9. Risks</b>   |   |                                  | Building on the existing site may have inherent risks in the existing building that would have to be addressed prior to demolition and rebuilding.<br>College may not give consent.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>10. Ancillary – Car Park; external opportunities; etc.</b> | The parking layout in the existing car park can be improved to give 200 spaces, at the expense of coach parking, should this be required.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |  |                                  |
| <b>11. Regeneration Opportunities</b>                         |   |                                  |  |                                  |

|   |  |                                  |   |                                  |
|---|--|----------------------------------|---|----------------------------------|
| <b>12. Utilities</b>                        | This site already is served with utilities, albeit these may need to be upgraded for a new built facility. | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>13. Impact on other council services</b> |  |                                  | Vehicle movements 7 days a week will cause disruption to Register Office for 2 to 3 years.<br>Impact and potential temporary loss of income to Register Office.<br>Impact and potential temporary loss of income to Parking Services. | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>14. Any other matters</b>                |  |                                  |   |                                  |

| Site MLC2 - The Existing Car Park                             |   |                                  |   |                                  |
|---|---|----------------------------------|---|----------------------------------|
|   | PROS  |                                  | CONS  |                                  |
| <b>1. Location</b>  | An innovatively designed centre could be provided on this awkwardly shaped site.<br>Vehicular access would be shared with the existing college access – using the current access road.<br>Distinct from Register Office<br>More prominent than MLC1 | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Due to the site constraints, the centre might have to have reduced facilities and additional costs or build out into the park area.<br>Would need to construct and fund a replacement car park.<br>Heavy construction traffic – may need to consider weight bearing of access road with utilities running below.<br>Loss of public car, coach and lorry park.<br>Less prominent a site than MLC3 & MLC4.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>2. Planning</b>  | If located on car park, no development on protected open space or very minor designation / land swaps to ensure no net loss of protected open space.  | <b>G<br/>R<br/>E<br/>E<br/>N</b> | The site is in a prominent location within the park, with little opportunity for screening, even though it is noted that vegetation screening could lessen the impact.<br>A large building on this site could be detrimental to the openness of the MOL.<br>A large building would be highly visible when approaching on the access driveway to the listed building and from the listed building itself and across the park.<br>Car parking would need to be re-provided to support the centre and this would either see a loss of protected open space within the vicinity or the existing pool site would need to be retained for car parking.<br>The volume of vehicles traffic passing close by and the large building on this site would harm the setting of the listed building.<br>Would need to be able to designate the replacement car park as a pay and display facility.<br>More planning risk than MLC1 but less than that for MLC3 & MLC4 | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>3. Ecology &amp; Landscaping</b>                           | Hard surfaced for many years.<br>Very limited ecological value  | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Site adjacent to a Site of Importance for Nature Conservation.<br>Due to the proximity of local nature reserves and records of known protected species (including bats and great crested newts), this site would require biodiversity surveys and potential mitigation measures.<br>There may be ecological issues to be addressed with the demolition of the existing MPP.   | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>4. Archaeology</b>   |   |                                  | Site within Upper Morden Conservation Area and would require archaeological investigations.<br>Wholly within an Archaeological Priority Zone.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>5. Timeliness</b>  |   |                                  | An alternative car park would need to be provided first before construction on this site location could be possible. This would delay the construction of the new facility build.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>6. Continuity of Service</b>                               | The existing facility would be retained and remain open keeping the customer base and continuity of service.  | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Customers may choose to move to other facilities as the area leading up to the existing venue will be a building site and temporary car parking arrangements will be in place.  | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>7. Cost</b>  |   |                                  | Temporary loss of car and coach parking income to parking services during development @ c£40k per annum<br>Additional costs to install temporary car parking and then replacement car parking for the new facility once built.<br>May impact on park and ride for AELTC.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>8. Land Ownership</b>                                      | In council ownership.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>9. Risks</b>   | Clear site.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Risks in the additional costs around car park provisions, loss of customer base and impact on the Register Office and College.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>10. Ancillary – Car Park; external opportunities; etc.</b> | It may be an opportunity to achieve good cycling facilities links of Hillcross Avenue to the existing cycling route on the A24 London Road as part of this project, should funds be available   | <b>G<br/>R<br/>E</b>             | Temporary loss of car parking. The site for the new build will require a temporary car park for the existing facility users and then a new replacement car park to be installed post new build completion. Some disruption for users of the college,  | <b>A<br/>M<br/>B</b>             |

|   |  |                                  |   |                                  |
|---|--|----------------------------------|---|----------------------------------|
|   |  | <b>E<br/>N</b>                   | local park, Register Office and Morden Park Pools throughout the build period.<br>Temporary reduction in parking income [ up to £40k ]<br>Discussions would be held with South Thames College to seek some shared use of their car park, if required.   | <b>E<br/>R</b>                   |
| <b>11. Regeneration Opportunities</b>       |  |                                  |   |                                  |
| <b>12. Utilities</b>                        | Utilities supplies run through the access road | <b>G<br/>R<br/>E<br/>E<br/>N</b> | The utilities would need to be connected to the new build – the longer the run the greater the costs.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>13. Impact on other council services</b> |  |                                  | Loss of income to Register Office and the annual fireworks event which uses the car park as the site for the fun fair.<br>Impact on Register Office as development and construction traffic will be near to the venue for a long period of construction time and will at times be noisy, etc. | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>14. Any other matters</b>                |  |                                  | The new access road leading to the site and any surrounding parking / circulating areas may be adopted as Highway leading to highway adoption issues (highway, drainage, lighting, future maintenance).   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |

| Site MLC3 - London Road (north of college)                    |   |                                  |   |                                  |
|---|---|----------------------------------|---|----------------------------------|
|   | PROS  |                                  | CONS  |                                  |
| <b>1. Location</b>  | Vehicular access would be shared with the existing college access – using the current access road.<br>This is the most prominent site of those under consideration<br>The area close to the Register Office would be improved once the new centre is completed  | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>2. Planning</b>  | The new building would be in a more prominent location facing onto a strategic road (A24), adjacent to the large college buildings and opposite the 5-storey blocks of flats in the Haig Estate.<br>Providing the existing pool is demolished and the land returned to public open space with appropriate landscaping, planning would be more acceptable as the facility would be relocated within existing area.<br>Subject to discussions with the GLA, the MOL and open space boundary could be amended to include the former pool building area, the house and its grounds, and the parking area – as long as it can be demonstrated that the parking area is ancillary to the public open space. This proposal may then not result in a net loss of open space and MOL.<br>With considered landscaping, the setting of the listed buildings in the area would be improved, since the pool building would no longer be in situ. | <b>G<br/>R<br/>E<br/>E<br/>N</b> | A large building could be detrimental to the 'openness' of the MOL.<br>More planning risks than MLC1 & MLC2, but less than MLC4.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>3. Ecology &amp; Landscaping</b>                           | This is the only site not immediately adjacent to a Site of Importance for Nature Conservation (SINC).  | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Development is likely to affect a substantial number of mature trees.<br>Due to the proximity of local nature reserves and records of known protected species (including bats and great crested newts), this site would require biodiversity surveys and potential mitigation measures.<br>There may be ecological issues to be addressed with the demolition of the existing Morden Park Pools.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>4. Archaeology</b>   | Partially within an Archaeological Priority Zone – least affected of the 4 sites under consideration.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Site within Upper Morden Conservation Area and would require archaeological investigations.<br>Partially within an Archaeological Priority Zone.<br>Construction should seek to minimise the impact on known archaeological features (Stane Street) which would be in close proximity.<br>Archaeological investigations would be required before construction; the building and associated infrastructure may have to be adapted to prevent harm. | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>5. Timeliness</b>  | Clear site should allow easier construction.  | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>6. Continuity of Service</b>                               | Existing facility continues to operate until new build opens.<br>Car park continues to operate until new build opens.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>7. Cost</b>  | No loss of car parking income and the potential to increase car parking income with new facility and increased usage.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>8. Land Ownership</b>                                      | In council ownership.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>9. Risks</b>   |   |                                  |   |                                  |
| <b>10. Ancillary – Car Park; external opportunities; etc.</b> | The parking layout in the existing car park could be used and can be improved to give 200 spaces, at the expense of coach parking, should this be required.<br>It may be an opportunity to achieve good cycling facilities links of Hillcross Avenue to the existing  | <b>G<br/>R<br/>E<br/>E</b>       | Existing car park is not located immediately adjacent to this site, but neither is it with MLC1   | <b>G<br/>R<br/>E<br/>E</b>       |

|   |  |                                  |   |                                  |
|---|--|----------------------------------|---|----------------------------------|
|   | cycling route on the A24 London Road as part of this project, should funds be available  | <b>N</b>                         |   | <b>N</b>                         |
| <b>11. Regeneration Opportunities</b>       | In this prominent location, closer to Morden Town Centre than any of the other sites, the location would assist in realising the council's Core Planning Strategy objectives of improving links between the town centre and the park.  | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>12. Utilities</b>                        | There are existing utility services to the College, Register Office and existing Pool, which would also be able to best serve this site and reduce utility connection costs. A thorough Utility search would inform on the level and cost of infrastructure required to service this new site. | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>13. Impact on other council services</b> | No disruption to Register Office services.   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>14. Any other matters</b>                |  |                                  | The new access road leading to the site and any surrounding parking / circulating areas may be adopted as Highway leading to highway adoption issues (highway, drainage, lighting, future maintenance). | <b>G<br/>R<br/>E<br/>E<br/>N</b> |



| Site MLC4 - Morden Park Playing Fields                        |   |                                  |  |                                  |
|---|---|----------------------------------|--|----------------------------------|
|   | PROS  |                                  | CONS   |                                  |
| <b>1. Location</b>  | In close proximity to Morden Town Centre (~650m walking distance from Morden underground station)   | <b>G<br/>R<br/>E<br/>E<br/>N</b> | A new junction on London Road (A24) would be required, rising project costs, delivery timelines and difficulties of creating a junction off the A24.<br>Agreement of TfL would be required for junction onto a red route.<br>Site is within an area susceptible to surface water flooding.<br>Least prominent site (lower level and adjacent to railway embankment).   | <b>R<br/>E<br/>D</b>             |
| <b>2. Planning</b>  | The new building would be in a more prominent location facing onto a strategic road (A24), adjacent to the large mosque and the railway embankment.<br>With considered landscaping following the demolition of the existing pool, the setting of the listed building would be improved. | <b>G<br/>R<br/>E<br/>E<br/>N</b> | The prominence of the building, away from an existing group of buildings, may also be seen as a negative.<br>A large building would be detrimental to the 'openness' of the adjacent MOL.<br>Installing car parking adjacent to the new facility at this site would further encroach into MOL.<br>This site is the closest to existing homes (Hillcross Avenue, Links Avenue).<br>Would need to be able to designate the replacement car park as a pay and display facility which would require a further change to the public open space to car park designation to allow this to happen.<br>This site is assessed as having the highest planning risk. | <b>R<br/>E<br/>D</b>             |
| <b>3. Ecology &amp; Landscaping</b>                           | Not within an area of Site of Importance for Nature Conservation (SINC)   | <b>G<br/>R<br/>E<br/>E<br/>N</b> | Development here is likely to affect a substantial number of mature trees.<br>Site adjacent to a Site of Importance for Nature Conservation.<br>Due to the proximity of local nature reserves and records of known protected species (including bats and great crested newts), this site would require biodiversity surveys and potential mitigation measures.<br>There may be ecological issues to be addressed with the demolition of the existing Morden Park Pools.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>4. Archaeology</b>   |   |                                  | Site within Upper Morden Conservation Area and would require archaeological investigations.<br>Wholly within an Archaeological Priority Zone.<br>Construction of the building, car park and junction may impact on known archaeological features (Stane Street).<br>Archaeological investigations would be required before construction; the building and associated infrastructure may have to be adapted to prevent harm.  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>5. Timeliness</b>  | Cleared site should allow easier construction   | <b>G<br/>R<br/>E<br/>E<br/>N</b> | A new junction on London Road (A24) would be required which would increase the time to deliver the project. This would require TfL approval as the London Road is a Red Route.   | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>6. Continuity of Service</b>                               | Existing facility continues to operate until new build opens.<br>Car park continues to operate until new build opens  | <b>G<br/>R<br/>E<br/>E<br/>N</b> |  |                                  |
| <b>7. Cost</b>  |   |                                  | A new junction on London Road (A24) would be required and this would considerably increase the project costs.<br>The cost of creating a new car park close to this site would considerably increase the project costs.<br>Designation of new car park would need to allow car park income, otherwise loss incurred.<br>There may be a requirement to reduce size of existing car park and return to open space, which would also have cost implications.   | <b>A<br/>M<br/>B<br/>E<br/>R</b> |
| <b>8. Land Ownership</b>                                      | In council ownership  | <b>G<br/>R<br/>E<br/>E<br/>N</b> |  |                                  |
| <b>9. Risks</b>   |   |                                  |  |                                  |
| <b>10. Ancillary – Car Park; external opportunities; etc.</b> | It may be an opportunity to achieve good cycling facility links from Hillcross Avenue to the existing cycling route on the A24 London Road as part of this project, should funds be available.  | <b>G<br/>R<br/>E<br/>E<br/>N</b> | A new car parking area would be required on MOL. This would be required to be shared with park users to be acceptable development on MOL.<br>Potential loss of income to Parking Services should this not be a pay & display car park.<br>Net loss of capacity for car parking to serve college and  | <b>A<br/>M<br/>B<br/>E<br/>R</b> |

|   |   |                                  |   |                                  |
|---|---|----------------------------------|---|----------------------------------|
|   |   |                                  | Register Office should the existing car park size need to be reduced.<br>Consideration as to what to do with existing car park, if it is no longer fully needed.  |                                  |
| <b>11. Regeneration Opportunities</b>       | In such close proximity to Morden Town Centre (~650m walking distance from Morden underground station) the development would contribute to the regeneration of the town centre. | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>12. Utilities</b>                        |   |                                  | The ability of the existing utilities to service a new build would need to be fully explored and the associated costs<br>The site would need to be investigated in relation to drainage for a building of this size and scope           | <b>G<br/>R<br/>E<br/>E<br/>N</b> |
| <b>13. Impact on other council services</b> | No disruption to Register Office services   | <b>G<br/>R<br/>E<br/>E<br/>N</b> |   |                                  |
| <b>14. Any other matters</b>                |   |                                  | Access onto the London Road (A24) for vehicles to and from facility could be extremely difficult especially for those coming from Morden Town Centre approach.<br>Uncertainty of the views of TfL on an access to the London Road (A24) | <b>A<br/>M<br/>B<br/>E<br/>R</b> |

## Committee: Cabinet

Date: 10<sup>th</sup> November 2014

Agenda item:

Wards: All

## Subject: Adult Education in Merton: Options Appraisal

Lead officer: Simon Williams

Lead member: Councillor Martin Whelton

Contact officer: Gareth Young (x4889)

**Reason for urgency:** The chair has approved the submission of this report as a matter of urgency as a timely decision is required to ensure residents can input into the future shape of the service and to launch the consultation with a Member recommendation attached to it

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### Recommendations:

- A. That Cabinet consider the six options within this report and give an indication of their preferred option
  - B. That Cabinet agree the fundamental principle that the council continues to offer adult education services in the borough and that Cabinet explicitly rules out option 6, cease offering the service
  - C. On balance, taking into account all of the evidence and the financial pressures, Cabinet agrees its preferred option is that the council move to a commissioning model for the provision of Adult Education services
  - D. That a consultation be established to enable the public to input into the model of delivery and the content of adult education courses being offered.
- 

### 1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report provides an analysis of potential options for the future of the Merton Adult Education Service. It is the latest in a succession of reports commissioned to review the service and is designed to bring those reports together and to facilitate a final decision about the future of the service.
- 1.2. The MAE college is a successful service delivering high quality education to the people of Merton and contributing to the council's economic development priorities. Over the past ten years the Head of Service and the college's Management Team have brought the service to an Ofsted 'Good' standard and delivered savings whilst improving outcomes for learners and broadening the learner base; including groups that were previously under-represented in adult learning.
- 1.3. Nonetheless, the service is expensive, with the most recent figures available showing we are at the higher end of spend per learner compared to neighbouring boroughs, and a significant portion of the service's budget is directed at overheads such as administrative and other non-teaching staff. In addition, and despite progress, there is still significant work required to fully address the council's strategy of bridging the gap between the more and less affluent areas of the borough.
- 1.4. Due to reductions in funding from central government the council is facing significant financial pressures and needs to make £32m savings over the next few years. Additionally, the council budget is currently overspending by c£4.5m.
- 1.5. The adult education service is facing two particular funding challenges which together provide the rationale for this review. Firstly, the service is facing an unpredictable

funding environment from the Skills Funding Agency. Secondly, the service is facing significant savings planned within the MTFs which are becoming increasingly difficult to find whilst still providing the services required by the SFA.

- 1.6. In light of these challenges and the high fixed costs of providing a small college like MAE, this report reviews alternative options to assess whether any of them can lead to a sustainable and resilient model of delivery which will allow the services to continue to be delivered despite the volatile funding environment.
- 1.7. Broadly speaking there are six options for the service and this report reviews each of them in turn against a series of key questions.

## **2 DETAILS**

- 2.1. The report is split into four broad sections covering the background to the report, the criteria by which a decision should be made, the challenges the service faces, the key issues that need to be considered, an evaluation of the options and then some discussion of implementation considerations.

## **3 BACKGROUND**

- 3.1. At the outset of this options appraisal there was a clear mandate established for the work. Based on the options included within the Target Operating Model (TOM) this report was to investigate the following three possible futures for Adult Education in Merton:

- Adult Education continues to be provided by Merton Council.
- Adult Education is commissioned with Merton providing that commissioning role. This may include a single contract or multiple smaller contracts
- Merton ceases to be involved in Adult Education funding in Merton; leaving the task up to the Skills Funding Agency.

It was agreed at the start that each of these options would also include the possibility of a shared service with another authority or FE provider. This wouldn't change the models considered but would provide greater opportunities for the service to build resilience and savings into each of the potential 'futures'.

- 3.2. In order to achieve this task officers have conducted the following activity:

- A review of previous reports into Merton Adult Education (MAE) including the recent reports by Red Quadrant (RQ) and the Public Value Review (PVR)
- Commissioned a financial viability assessment of MAE
- Met with senior commissioners or providers of Adult Education in Richmond, Wandsworth, Kingston, Camden and Sutton
- Worked with our local FE provider South Thames College to investigate potential alternative models of delivery working in partnership.
- Worked with finance colleagues to develop a unit cost model for every course at MAE (in line with recommendations from the RQ report and PVR)
- Met with the Skills Funding Agency (SFA) to understand the funding position and what impact each of the options would have on overall adult education funding in Merton
- Conducted a soft market testing in Merton to assess the viability of a diffuse commissioned model

- 3.3. Whichever option is chosen as a result of this work the next stage should be to develop further the implementation plan for the chosen option; working with partners where appropriate to understand the specification and the appropriate way of structuring the model. Once this planning is done the solution can be implemented. Even if we continue

with the internal model some work should be done to ensure that the model adopted matches Merton's needs.

- 3.4. Recognising that the planning and implementation are important elements of any decision some brief guidance about the implications of the different options is detailed at the end of this report.

#### **4 ESTABLISHING NEED AND CURRENT PROVISION**

- 4.1. The question this report seeks to address is what is the best model of service to ensure value for money for the council and tax payers whilst also delivering a quality service for our residents.
- 4.2. In Merton we recognise the valuable role that the skills agenda plays; both in supporting our residents to play a wider role in our local economy and by contributing to the Community Plan aim of promoting economic wellbeing and bridging the inequality gap between the east and the west of the Borough. In addition MAE contributes to the health and wellbeing agenda. Continuing to learn is a key contributor to issues such as aging well and reducing isolation for a variety of groups, and if it is not spread across the whole community this can add to inequality.
- 4.3. Merton Adult Education plays a key role on Merton's Economic Wellbeing Group and contributes to the council's Employment Skills Action Plan, the next iteration of which will include a focus on support for those aged over 25; a group MAE is well placed to support. This skill and training is crucial if Merton, along with every other area in the country, is to close the skills gap. Again, adult education in Merton can have a valuable role to play here.
- 4.4. In addition we recognise that the role of adult education can be wider; enabling residents to have access to other forms of learning on the basis that it creates resilience and is one factor underpinning successful ageing and the wider preventative agenda. This dual purpose is reflected in the two main pots of money provided by the SFA; the Adult Skills Budget (ASB) and the Community Learning (CL) budget. The former funds skills and employability and the latter recognises the wider role of adult and community education.
- 4.5. Over the past few years the Merton Adult Education College has delivered on these expectations, receiving a 'Good' rating from Ofsted and additional grants from the SFA due to over-performance. MAE's priority is to widen participation amongst disadvantaged learners. The strategy has centred on building effective partnerships in order to improve access to excluded communities, combined with undertaking a range of responsive community focused outreach activities.
- 4.6. In the past 10 years the student profile has shifted considerably. In 2004, ethnic minority students amounted to only 17% of the overall student base. Due to successful implementation of the widening participation strategy 38% of our learners are from ethnic minority groups. Almost 40% of learners live in disadvantaged wards. However, over 60% of learners overall continue to come from more affluent wards.
- 4.7. Successful implementation of this strategy has also resulted in a diverse intergenerational student profile.
- 4.8. MAE, in the last academic year, attracted 5054 learners, which produced 7000 enrolments. The college's strategy to improve student attendance and retention on qualification courses has seen progress year on year. Student retention rates have increased to 93% compared to 87% last year. Achievement rates are 93%. Success rates have increased to 87% an increase of 5% compared to last year and a 16% increase when compared to 2010/2011. These are all above national benchmarks and reflect the well-established self-assessment process and performance management provisions delivered by the current Page 19 management.

| <b>Retention</b><br>(Students on course) | <b>Achievement</b><br>(Examination success) | <b>Success Rate</b><br>(weighted formula<br>comprised of retention and<br>achievement ) |
|--|---|---|
| 93.5%                                    | 93.1%                                       | 87.1%   |

4.9. In addition, through a series of partnerships, outreach events and initiatives MAE have developed a stronger link with learners in the east. In 2012-2013 academic year, for example, MAE had 1386 learners from 'disadvantaged' wards.

4.10. In 2012/13 academic year 57% of students on vocational courses went on to further learning and 52% transitioned into employment. The strategy to increase tracking learners resulted in good reporting rates for MAE. This compared well to our neighbouring boroughs:

| <b>College</b>    | <b>Destination rate %<br/>(how much data is<br/>captured)</b> | <b>Employment<br/>progression rate %</b> | <b>Learning<br/>progression rate %</b> |
|-------------------|---|--|--|
| <b>MAE</b>        | 83  | 52                                       | 57                                     |
| <b>STC</b>        | Insufficient data<br>provided                                 | 42                                       | Insufficient data<br>provided          |
| <b>SCOLA</b>      | 73  | 45                                       | 53                                     |
| <b>Kingston</b>   | Insufficient data<br>provided                                 | 44                                       | Insufficient data<br>provided          |
| <b>Wandsworth</b> | 81  | Insufficient data<br>provided            | 39                                     |

4.11. MAE also provides specialist provision for adults with learning difficulties and disabilities and has a high success rate. Last year there was a 97% retention and achievement rate over a variety of courses.

4.12. MAE provides a careers service which responds to demand. For example, in one term (term 1 of 2013/14) the Careers Service saw 101 clients for one to one appointments, resulting in 104 enrolments onto MAE programmes.

## **5 CHALLENGES**

5.1. Nonetheless, there remain a number of challenges in terms of the service's ability to deliver against the council's key criteria of affordability and quality.

### **Location**

5.2. There is recognition that the venues with the largest capacity are not convenient for residents with no access to private transport, especially those living in more disadvantaged parts of the borough. Although adult education services take place in over 40 venues as outlined in Appendix 1, the vast majority of courses take place at Whatley Avenue which is not necessarily in the right location to attract learners from the more disadvantaged areas in the east of the borough. It is also a non-town centre location and suffers from a lack of good transport connections from the east of the borough.

5.3. The Marlborough Hall site in Wimbledon also hosts a high proportion of course and is also situated in the western, more affluent part of the borough. However it is a town centre location with better transport links.

- 5.4. Discussion of any new model must consider the need to bridge the gap between the more and less affluent parts of the borough and to reach out to those in the most disadvantaged areas where educational attainment is below the national average.

### **Course composition**

- 5.5. As demonstrated within Appendix 2 there is a mix of course provision at MAE. However, there are a high proportion of courses in the Creative Arts category, for example, whilst vocational courses and those focused on employability skills currently make up a much smaller proportion of the total courses offered.
- 5.6. In order to deliver on the council's economic development agenda and to bridge the gap between the east and west of the borough it will be important to ensure that vocational and employment focused courses are maximised within any new delivery model.

### **High fixed costs**

- 5.7. One of the challenges that MAE faces is its high operating overhead cost. Currently, the composition of staff spending within MAE is 54% non-teaching (24% academic and 30% administrative) and 46% on teaching staff. Any new model should seek to focus resources on the front line and to minimise "back office" costs.
- 5.8. Likewise, the Whatley Avenue building cost £140k to run in 2013/14 and it is expected that it will cost a similar amount in the coming year. This doesn't include the £379,377 of backlog maintenance charges outstanding on the Whatley Avenue building.
- 5.9. High fixed costs mean that the college is particularly vulnerable to reductions in its funding and that those reductions have a disproportionate impact on the amount that can be spent on learning.

### **Finances**

- 5.10. There has been a c£165k reduction in SFA funding for academic year 2014/15. Even without that reduction MAE would have found it difficult to operate without additional council subsidy. We anticipate that the funding position is likely to get worse as Government plans post 2015 suggest a reduction in all non-ring fenced central spending, and SFA funding is not ring-fenced. These reductions will be on top of the £32m the council needs to save from the local authority budget.
- 5.11. Further cuts to the grant will mean one of three things; either the council increases its subsidy, the quality of the service declines or we look to another model.

## **6 ESTABLISHING OPTIONS**

- 6.1. In light of the above, if the council wishes to continue to offer adult education services in the borough, there are two questions to address:
- i) How should that provision be delivered in order to achieve value for money?
  - ii) What should be delivered to achieve best quality within the financial envelope?
- 6.2. Whilst both of these are core questions this paper focuses on the former question with the latter to follow and to be delivered by adult education professionals.
- 6.3. Based on previous work from Red Quadrant and the PVR this report was quickly able to narrow down the range of realistic options available to the service. Indeed, the RQ report contained a number of theoretical options within its methodology and evaluation.
- 6.4. In order to take the discussion forward this report will focus on realistic models of delivery based on the work completed during the development of the report. These realistic options are all based on the project brief but are more specific and tangible. They thus provide clear choices to the local authority:

- **MAE continues as it currently is:** LBM continue to directly deliver the service and bear the financial risk of future SFA funding reductions
- **Merton Council forms a shared service with South Thames College (Merton Campus):** The two colleges attract their funding in the usual way but share back office and management functions.
- **Merton Adult Education forms a shared service with another local authority managed college (such as SCOLA):** The two colleges attract their funding in the usual way but share back office and management functions.
- **Merton becomes a commissioner of Adult Education Services:** Commissioned services continue to be delivered in Merton.
- **Merton ceases to be a provider and instead becomes a commissioner of Adult Education Services; partnering with the London Borough of Wandsworth to deliver this commissioning function.** Commissioned services continue to be delivered in Merton in partnership with Wandsworth.
- **Merton ceases to offer adult education services.**

6.5. This report has not considered options related to 'alternative business models' as a previous report on this concluded that there were limited benefits, especially if the service was not at a break-even position.

6.6. The options above are all viable for the council and which option is chosen depends on the balance of priorities of council decision makers.

## 7 THE FINANCIAL POSITION

7.1. The adult education service costs £2.6m per annum to deliver.

7.2. £494k of the cost of the service is covered by learner receipts, with £2.1m financed by the Skills Funding Agency and the council. This represents a significant public subsidy. The council also offers a significant effective subsidy in the form of premises and other features.

7.3. There has been a c£165k reduction in SFA funding for academic year 2014/15 which will make the delivery of further savings more difficult and will need a very careful review of the courses offered. To make matters more difficult for the college SFA savings are applied on a rolling academic year on year basis and outside of the council budget setting cycle which can cause regular in year challenges.

7.4. As such, the college is currently forecast to overspend by c.£158,000 in 2014/15 against this budget. The current MTFs savings plan put forward by the Community and Housing Department calls for this contribution to the college to be eliminated by 2017/18 and the current position of the college principal is that this will be unachievable. Any savings that cannot be achieved, or overspends, will need to be made good by the Communities and Housing Department in setting the 2015/16 budget, and this will have a detrimental impact on the Adult Social Care budget.

7.5. Currently, the composition of staff spending within MAE is 54% non-teaching (24% academic and 30% administrative) and 46% on teaching staff. This reflects the high overheads of running a college and the relatively small size of MAE.

### Course cost analysis

7.6. Previous reports into MAE (Red Quadrant 2012, PVR 2013) have recommended that a detailed analysis be undertaken of each course offered by the college identifying those that run at a surplus (prior to allocating fixed costs) and those that run at a deficit. This work has now been completed as part of this review and is available for the service manager; whichever option is chosen.

7.7. The review doesn't identify obvious savings; in general the courses that are run at a deficit are those that are directly **Page 22** qualifications, and thus directly supportive of



the council's economic aims and objectives, and those that run at a surplus prior to overheads tend to be those that attract fees from the students. These have a limited demand, and are restrained by the amount of funding we receive in each subsidising 'pot' but where they are run can generate a good surplus.

- 7.8. However, this analysis does demonstrate that by varying the course mix it might be possible to allocate the grant to a different mix of courses which still meets SFA guidelines but is deliverable for us at a cheaper cost.
- 7.9. This work must be used as part of the new model to ensure on-going value for money.

## **8 ASSESSING THE POTENTIAL OPTIONS**

- 8.1. As mentioned in section 6 after considerable work this report has narrowed down the realistic potential options to six.
- 8.2. However, due to the common issues underlying these options there are a few common issues which should be discussed in advance of the analysis of options:

### **Delivery venues**

- 8.3. The adult education service delivers courses from over 40 venues in the borough. See Appendix 1 for a full break down of venues including a number of community venues such as schools, community centres and children's centres.
- 8.4. However, 68% of learners attend the Whatley Avenue site in the west of the borough and 11% of learners are at the Marlborough hall site in Wimbledon. A much lower proportion of courses take place in the less affluent parts of the borough.
- 8.5. Any change to the current adult education service would need to include an assessment of the current range of delivery venues to ascertain the mix that will best bridge the gap and achieve value for money. Options for expanding the range of venues include libraries, schools, the Wandle Valley Resource Centre, community centres and other sites used by our partners. Indeed even if the "no change" option is chosen there will still be a need to review the current venue mix.
- 8.6. In reviewing the delivery site mix there are also opportunities to work with South Thames College to deliver courses there and this has been assessed in more detail in discussions around some of the options. A partnership with STC would allow learners to benefit from the excellent facilities at the college.

### **Economic development**

- 8.7. MAE plays an important role as part of the mix of providers in Merton delivering skills training. This ranges from supporting hard to reach groups through their English, Maths, ESOL and IT provisions to working in partnership with other providers (such as Social Enterprise Merton, Grenfell and Merton Priory Homes) to delivering contracts on behalf of Job Centre Plus.
- 8.8. MAE should also contribute to the Merton Partnership agenda of 'Bridging the Gap' between the East and West of the Borough.
- 8.9. It is thus important that any solution recognises this central role that MAE plays in terms of Merton's economic development.
- 8.10. As such, any model should involve Merton Partnership in helping shape the delivery of the service.
- 8.11. In addition, it has been identified that any change to the design of the provision would need to be judged against the impact on inclusion. The current provision is primarily based in the more affluent areas of the borough at the Whatley site and through the provision of the Marlborough Hall site. This would need to be considered in a new model with locations provided that were both welcoming and accessible particularly for

residents from the east of the borough. Most of MAE's current partners are based in the east of the borough.

- 8.12. As mentioned in section 4.3 MAE is responsible for the delivery of a number of actions stemming from the Sustainable Communities Overview and Scrutiny Panel's Review of Adult Skills and Employability. Whilst some of these elements could be delivered regardless of the model delivered some may not be delivered if an alternative model is adopted, especially if that model is commissioning based. These include the move to provide higher level courses, the development of MAE as a commercial brand and the establishment of a virtual business school in Merton. As part of that MAE has already secured accreditation to deliver ABE (Association of Business Executives) courses and is in talks with Kingston University to discuss franchising.
- 8.13. Nonetheless, it is worth noting that South Thames College do provide the higher level courses already and any model that involved them would provide us with the opportunity to link adult education courses with that offer.
- 8.14. Whichever model is chosen any new Merton Adult Education provision should have the economic development agenda and that of other cross cutting agendas such as wellbeing, education and children, for Merton in mind.

### **Transfer of Undertakings (Protection of Employment) Regulations (TUPE)**

- 8.15. Many of these models involve partnering with another organisation to deliver or commission Adult Education Services. This sort of sharing has been proven to deliver resilience and economies of scale in other services but also leads to challenges for the staff involved. In the event that functions carried out by Merton Adult Education transfer to another organisation/s it is likely that TUPE will apply, as this is a form of 'economic entity' that is specified within the Regulations and associated case law. In general terms TUPE protects the conditions of employment of the workforce transferring from one employer to another.
- 8.16. There are currently three types of staff working at MAE and each would be treated in a slightly different way:
- i) **Permanently employed teaching staff:** Tutors on a flexible contract linked to enrolment; they are employed when their course runs. This may include some models and other temp course staff
  - ii) **Claims tutors:** Tutors on permanent contracts; paid for a set number of hours / courses per year even if those courses are subsequently cancelled
  - iii) **Non-teaching staff:** These are non-teaching staff; nearly all on permanent contracts.
- 8.17. The two tutor categories are dealt with slightly different but would likely TUPE into any new organisation, where this option was chosen, continuing to teach the courses they currently teach. Most of the MAE tutors are extremely well regarded both by students and internal MAE assessments and thus, in addition to their legal rights, would be an asset to any commissioned provider. In the event of the business entity, or parts of the business entity, transferring to another organisation a TUPE 'test of assignment' would be applied – this determines which staff are within the scope of the transfer of the business entity and which are not.
- 8.18. Some of the non-teaching staff may also be eligible for TUPE (see 8.17 above and the 'test of assignment') but in addition the likelihood is that any move from being a provider to being a commissioner would lead to some redundancies as such remaining functions and duties would cease or diminish at the point of transfer. Merton would be liable for these redundancy costs if they occur.

### **The local provider market**

- 8.19. In two of the models Merton becomes a commissioner of adult education services. To investigate these options we conducted a soft market testing exercise with local providers and spoke to other authorities who have a commissioning model.
- 8.20. The soft market testing took two forms; firstly a survey with local providers and secondly a more thorough discussion with our largest local provider South Thames College.
- 8.21. The survey was completed by five local providers: Grenfell Housing and Training, Capital Training Group, Commonsides Community Development Trust, the Training and Recruitment Partnership and Delrose Earle Training.
- 8.22. There was some evidence that there is some competition within the market and a desire from current training providers to expand their offer and to work closely with Merton in developing this offer. The market is not huge but the evidence of the survey seems to be that there is some capacity in it.
- 8.23. South Thames College is a large provider with excellent facilities and would be able to take on much of the work currently delivered by MAE. An initial assessment showed that the college has the capacity to deliver over 75% of the current MAE offer in the current form.

### **SEND Provision**

- 8.24. Local authorities have a new responsibility towards young people with Special Education Needs and Disabilities aged 18-25 and expect to commission new services to help meet that need.
- 8.25. Any approach to the future of MAE should consider how the new model can quickly move to help meet that opportunity and / or support the commissioning and development of a market to meet that need.
- 8.26. The above opportunity seems to fit in nicely with one of the partnering opportunities as due to the numbers of young people involved shared arrangements, and shared provision, with other boroughs could be the norm that SEND teams look to work with when commissioning this provision.

### **Governance and accountability**

- 8.27. If the council decides to commission the service it will need to ensure that the curriculum is governed to ensure that it meets the needs of the community and benefits from the insight of council officers and our partners. Currently this governance is provided by the economic wellbeing sub-group of the partnership.

### **Other**

- 8.28. Options such as the expansion of the MAE's Virtual Learning Environment (VLE) or the use of MOOCs (Massive Open Online Courses) may open further opportunities for some types of courses in the future. However, this is not viable, or part of SFA funding, currently.

### **Options**

- 8.29. Each of the above issues is mentioned within the following options.

## **9 OPTION 1: MAE CONTINUES AS IT CURRENTLY IS**

- 9.1. MAE is a successful college with a strong Ofsted rating, high user satisfaction and a substantially improved operational and budgetary position.
- 9.2. The current business plan calls for the Merton Adult Education service to break even and no longer receive funding from the council. This would enable the service to pay for the full cost of providing courses from within the SFA funding provision and fee income without a council subsidy, not including the cost of providing premises.

- 9.3. However, there are doubts within the service that these savings can be met; especially in light of the ever changing funding position from the SFA.
- 9.4. It is unlikely that the college will be able to get to a position where it requires no council contribution. This is especially in the context of rising overheads and falling SFA contributions. In addition, the council would be liable for any risk related to the shifting SFA funding.
- 9.5. Due to the long term uncertainty regarding future funding for adult education, the risk that future funding changes will impact negatively upon either service delivery or council funds and the potential that other options can deliver a more sustainable service this option is not recommended by officers.

## **10 OPTION 2: SHARED SERVICE WITH SOUTH THAMES COLLEGE**

- 10.1. South Thames College (STC) is the biggest FE provider in Merton and has a large modern campus in Morden. STC delivers against the Adult Education contract in Wandsworth and thus has a track record of Adult Education provision from the Community Learning and ASB contracts. It is assumed that staff would TUPE across to STC.
- 10.2. Under this model, students would be able to benefit from the excellent quality services provided by South Thames College.
- 10.3. A federation with STC would allow for some economies of scale. Information systems, curriculum managers, administrators and management would all be sharable. However, the SFA have made it clear that there would need to be a clear Merton Council strand to the Quality Assurance and Strategic leadership of the shared service in order to ensure funding. A fully merged service would not attract the same funding as this shared model.
- 10.4. In any shared service with STC it would be necessary to have a strong governance body in place to ensure that the interests of Merton's adult learners were maintained and to assure the SFA that the council still maintained operational control of the funding.
- 10.5. However, under this model Merton Adult Education would be a very junior partner and a judgement would have to be made as to whether this provided the council with the best opportunity to deliver our proposed outcomes.
- 10.6. Due to the requirements placed by the SFA the potential economies of scale savings are not that different to a simple commissioning model (either individual or shared) where LBM would retain greater control over the service. Consideration should therefore be given as to whether our relationship with a large FE partner like South Thames College is better as one of partner or one of commissioner (see below).
- 10.7. As such, this option is not recommended by officers.

## **11 OPTION 3: MERTON ADULT EDUCATION FORMS A SHARED SERVICE WITH ANOTHER LOCAL AUTHORITY MANAGED ADULT EDUCATION SERVICE**

- 11.1. As part of this project we contacted our neighbouring authorities to investigate whether they were interested in establishing some form of shared service. Discussions with Kingston did not progress further than an initial conversation as at this stage their partner of choice is Richmond. Richmond does not have an in house college and Wandsworth currently commission their service. Discussions with Croydon have so far not progressed.
- 11.2. As such, our main conversation to date has been with Sutton, whose adult education college is called SCOLA.

- 11.3. SCOLA is Sutton's Adult Education College providing similar services to MAE. Although slightly bigger the service has comparable Ofsted ratings to MAE and is considered to be a good provider by Sutton's politicians and residents. SCOLA has its own governing body although is still a part of the council and managed within the local authority structure.
- 11.4. Sutton recognises that although their service currently covers all of its own costs (including corporate overheads) it faces the same on-going financial challenges that we do.
- 11.5. There are logistical problems associated with a shared service with SCOLA. In order to unlock savings it does not really make sense to have two main college buildings as this would not provide the necessary economies of scale.
- 11.6. In terms of shared services there would be economies of scale around management information, curriculum, and administration and management costs. Again, these savings would be tempered by the requirement to keep separate quality, MIS and strategic leadership functions, as per SFA requirements.
- 11.7. Although the immediate savings may be small when offset by the requirements for spend on alternative sites and after managing both authorities overheads the new service would be substantially more resilient and able to work to deliver further savings.
- 11.8. However, there would be a lot of work needed to enable this service to be formed including developing a shared prospectus, a shared model of delivery, a shared governance board, a shared management structure and a shared central hub with multiple separate spokes of delivery. Merton might need to accept a service not provided centrally in Merton.
- 11.9. Currently, discussions with Sutton have not progressed to an 'agreement' stage.
- 11.10. Any shared service option would be very difficult and time consuming for the council to deliver. Not only would the council retain the financial risk during the lengthy negotiation and implementation but the financial risk of the shared service would also rest with the local authority in the future.

## **12 OPTION 4: MERTON BECOMES A COMMISSIONER OF ADULT EDUCATION SERVICES**

- 12.1. In this model Merton becomes a commissioner of adult education services. To investigate this option we conducted a soft market testing exercise with local providers and spoke to other authorities who have a commissioning model.
- 12.2. Details of the local provider market are detailed in section 8 and indicate that there is a market for delivering a commissioning model.
- 12.3. Many of the authorities who have a commissioning model tend to split the provision into three sections:
- i) Larger contracts with larger providers
  - ii) Small contracts with community providers
  - iii) An in-house provision

The soft market testing of the Merton market suggests that Merton would be able to follow a very similar model

- 12.4. These contracts can then be let using a variety of processes, including formal tendering processes, Service Level Agreements, small grant and partnership arrangements.
- 12.5. Managing this process requires a team of staff. Under SFA rules local authorities may retain 15% of ASB funding and an unspecified amount of CL funding for commissioning

purposes. Assuming that we would want to earmark as much funding as possible for learning we would aim to deliver this for as low a figure as possible.

- 12.6. It should be noted that whilst Camden for example have 3 providers able to compete for the larger contracts Merton has only one obvious in-borough option; that of South Thames College and it is likely that they would be a strong bidder for any larger lot offered. This might reduce costs and also necessitate a more partnership based approach to the commissioning.
- 12.7. Under this model, students would be able to benefit from the excellent quality services provided by South Thames College.
- 12.8. The exact details of which SFA requirements would be delivered by the provider and which by the council would need to be worked out in negotiation with our providers. The aim of this process would be to minimise spending on non-teaching and maximise spending on learning.
- 12.9. Ensuring value for money within this model would be crucial, especially with a single dominant supplier but a partnership approach, allied to robust systems to monitor delivery; this should ensure that we are able to deliver the quality and quantity of provision expected by local residents.
- 12.10. A commissioning model would allow the service to manage costs. We would be able to set the budget for delivery and ensure that the services delivered could be met within the funding envelope. The SFA provision allows the majority of funding to be directed towards teaching resource and the local authority would design a commissioning model that lives within that envelope.
- 12.11. The initial establishment of the commissioning model would need additional transitional resource; not least as TUPE would apply.
- 12.12. A new commissioning model does have some risks inherent to it. The tasks of commissioning and providing are different and require different skills and experience. The success of any commissioning model would be based on the quality of the team recruited and processes developed and this represents a risk the council would need to manage.
- 12.13. This option is recommended as it would move financial risk away from the council, make the best use of the local providers in Merton and maximise the benefits to the service users by reducing the amount spent on non-teaching activities. As commissioners the council will be in a position to steer provision and the spread of venues so that the service fully addresses the challenge of “bridging the gap” between east and west. This option is also the most likely to provide long term cost certainty and stability to adult education provision in Merton.

### **13 OPTION 5: MERTON BECOMES A COMMISSIONER OF ADULT EDUCATION SERVICES; PARTNERING WITH THE LONDON BOROUGH OF WANDSWORTH TO DELIVER THIS COMMISSIONING FUNCTION.**

- 13.1. The London Borough of Wandsworth already has a successful commissioning model. As well as commissioning the SFA funded adult education programmes the service has a good reputation of attracting alternative sources of funding and providing a mixed service to residents.
- 13.2. In addition, Wandsworth currently contract with our major likely supplier, South Thames College.
- 13.3. Partnering with Wandsworth has three benefits within the context of a commissioning model:

- i) Wandsworth are already successful commissioners of Adult Education services and have built up an infrastructure to deliver these services. We thus wouldn't be in a position of starting from scratch and would be able to benefit from some of their skills and experience. We could also tap into their experience of bringing in alternative sources of funding; something that is a real benefit of a well-run commissioned service. We also believe that there are areas of mutual benefit where strengths in Merton delivery could be used to benefit the offer in Wandsworth and vice versa.
- ii) By partnering with a neighbouring authority we would benefit from long term economies of scale and ensure some resilience to our commissioning service.
- iii) As Wandsworth share a dominant supplier with us (in STC) partnering with them would also help us when we come to negotiate our contracts. This is particularly relevant as adult education tends to be a smaller part of a college's business. By representing a bigger slice we would be in a better long term position.

13.4. LB Wandsworth has expressed an interest in a partnership of this nature although obviously this would be dependent on member input and currently this has not been sought. The same member input would be needed in Merton and a long-term Governance position agreed between both councils.

13.5. Under this model, students would be able to benefit from the excellent services provided by South Thames College.

13.6. Setting up this shared service would be complex. We would be forming a new service for the non-teaching staff, thus requiring some staff TUPEing to a commissioning organisation, some redundancies and also teaching staff TUPEing into working for a number of new suppliers. Simultaneously, we would be running a commissioning and procurement process to allocate the spending.

13.7. The SFA would also need to approve the model.

13.8. If LB Merton were to opt for a commissioning model this represents a strong option; providing both expertise and experience and delivering long term resilience for both organisations and increased negotiating power in the market.

13.9. Nonetheless, managing two simultaneous changes – move to a commissioning model and the establishment of a shared service – would prove challenging in a small time period. As such, this option is not recommended at this stage although members may want to consider it subsequently.

## **14 OPTION 6: MERTON CEASES TO OFFER ADULT EDUCATION SERVICES**

14.1. As outlined in section 4 above, the council is committed to the adult education agenda, particularly where it contributes to bridging the gap between the east and west of the borough.

14.2. The SFA have made it clear that were Merton Council to opt to cease to offer adult education services they would not guarantee that SFA funding would be allocated to alternative Merton providers.

14.3. This option is not recommended by officers for the above reasons.

## **15 IMPLEMENTATION COSTS AND CONSIDERATIONS**

15.1. Unless the council opts for the in-house option there will be implementation costs associated with each of the options.

15.2. In addition, any new service model will need a substantial communications plan attached to it. We will want local residents to know about the new service and enable students to transfer seamlessly from one provider to another if required.

- 15.3. Any new model would deliver long term benefits to the local authority as outlined above. The service would also, if established correctly and depending on the model, provide the necessary resilience to ensure that future changes to the funding environment do not pose a risk to the council as a whole.
- 15.4. During the implementation phase it will be important to maintain the quality of the provision for residents; either because of the change from one provider to another or because of the changes associated with sharing services. This process would need to be managed carefully.

## **16 ALTERNATIVE OPTIONS**

- 16.1. As part of this process officers spoke to the Skills Funding Agency about alternative options. Mergers which would require Ministerial approval and may be legally impossible were ruled out.

## **17 CONSULTATION UNDERTAKEN OR PROPOSED**

### **Undertaken**

- 17.1. The following stakeholders have been consulted (supplementing the consultation already undertaken by Red Quadrant):
- a) South Thames College, Skills Funding Agency, LB Sutton, LB Richmond, LB Kingston, LB Camden, LB Bromley, LB Westminster, LB Wandsworth. Numerous internal council stakeholders have also been consulted.
- 17.2. This engagement has been based on an open approach to developing the options and all stakeholders have been kept informed throughout. Once a decision is made it is crucial that this engagement is continued and stakeholders are kept informed throughout.

### **Proposed**

- 17.3. A consultation in two elements run at the same time is proposed:
- 17.4. The first element of the consultation will specifically focus on the model of service delivery; considering the above options and any alternatives proposed by our key stakeholders. In this element we would also be asking the public and interested stakeholders, for other suggestions of how savings can be achieved and the quality and range of courses maintained within the shrinking financial envelope.
- 17.5. The second element would focus on the content of adult education provision. Regardless of the option chosen the council needs to ensure that we are providing the right mix of courses to meet the economic needs, and interests of Merton residents. A public consultation would enable the service, whichever model is chosen, to be delivered in light of this input.
- 17.6. A full consultation plan will be developed for Member approval.

## **18 TIMETABLE**

- 18.1. The consultation will be launched within a week of the Cabinet approval to proceed and will conclude in six weeks. A final paper, for decision, will be brought back to Cabinet in January.
- 18.2. Assuming a decision is made in January we would aim to implement any decision by September 2015 in time for the 2015/16 academic year.

## **19 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**



- 19.1. MAE currently occupies Whatley Avenue and delivers courses at a variety of venues including Marlborough Hall in Wimbledon and about 40 other community venues including schools and children's centres. Many of these options would allow for a review of the current mix of venues used to ensure we are contributing to bridging the gap between the east and west of the borough.
- 19.2. Should an external provided model be chosen then prior to a final decision Members would need to be aware of the level of savings of corporate and fixed costs that could be made and which would need to be absorbed into the MTFS.

**20 LEGAL AND STATUTORY IMPLICATIONS**

- 20.1. None

**21 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 21.1. MAE currently aims to contribute to the Community Plan priority around 'Bridging the Gap' between the East and the West of the Borough and any new model will need to build on this and extend the opportunities to residents from less affluent parts of the borough.
- 21.2. Likewise, the college provides courses specifically targeted at adults with learning difficulties and disabilities and any new model would need to ensure that this group is not disadvantaged.
- 21.3. Any change to the model of provision would need to ensure that the above are taken into consideration.

**22 CRIME AND DISORDER IMPLICATIONS**

- 22.1. None

**23 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 23.1. None

## APPENDIX 1

Table 1 below details the current mix of venues used by the adult education service to deliver courses to residents.

**TABLE 1**

| <b>MAE Venues: 2013/14</b>                              |                           |                          |                               |
|---|---------------------------|--------------------------|-------------------------------|
| <b>Venue</b>  | <b>Number of Learners</b> | <b>Ward</b>              | <b>Percentage of learners</b> |
| Abbey Children's Centre                                 | 33                        | Abbey                    | <1%                           |
| Acacia Centre   | 11                        | Figges Marsh             | <1%                           |
| All Saints Centre                                       | 78                        | Trinity                  | 1%                            |
| Baitul Futuh Mosque                                     | 24                        | Merton park              | <1%                           |
| Cricket Green School                                    | 65                        | Cricket Green            | <1%                           |
| Church Road Children Centre                             | 46                        | Lavender                 | <1%                           |
| Harris Academies Merton and Morden                      | 187                       | Pollards Hill/Ravensbury | 2%                            |
| High Path Community Centre                              | 21                        | Abbey                    | <1%                           |
| Hamleys   | 1                         |                          | <1%                           |
| Jan Malinowski Centre                                   | 57                        | Cricket Green            | <1%                           |
| Job Centre Mitcham                                      | 128                       | Cricket Green            | 2%                            |
| MAE Wimbledon   | 847                       | Hillside                 | 11%                           |
| Merton Job Club – Steers Mead                           | 20                        | Lavender                 | <1%                           |
| Merton Libraries  | 68                        | Various                  | <1%                           |
| Merton Vision   | 15                        | Colliers Wood            | <1%                           |
| Merton Primary Schools                                  | 221                       | Various                  | 3%                            |
| Newminster Children's Centre                            | 11                        | Ravensbury               | <1%                           |
| Pollards Hill Community Centre                          | 51                        | Pollards Hill            | <1%                           |
| St Marks Family Centre                                  | 274                       | Figges Marsh             | 3.5%                          |
| Steers Mead Children's Centre                           | 9                         | Lavender                 | <1%                           |
| Sorrel Care/Star & Garter Home/St Mary's Primary School | 15                        | Various                  | <1%                           |
| South Mitcham Community Centre                          | 9                         | Cricket Green            | <1%                           |
| The Bridges Children's Centre                           | 15                        | Dundonald                | <1%                           |
| Whatley   | 5300                      | Cannon Hill              | 68%                           |
| Whatley & MAE Wimbledon                                 | 7                         | Cannon Hill and Hillside | <1%                           |
| Whatley & SW London YMCA                                | 23                        | Cannon Hill and Trinity  | <1%                           |
| Vestry Hall   | 245                       | Cricket Green            | 3%                            |

## APPENDIX 2

Table 2 below outlines the current course mix being delivered by the adult education service

| Department  | Total Number of Courses | Total Number of Enrolments | Percentage Enrolments |
|---|-------------------------|----------------------------|-----------------------|
| Apprenticeships   | 4                       | 16                         | <1%                   |
| Careers Information – includes employability courses  | 24                      | 211                        | 3%                    |
| Creative Arts – cookery, pottery, photography, woodwork, sewing, upholstery, stained glass, fine art, etc.  | 145                     | 1827                       | 30%                   |
| Early Years   | 18                      | 167                        | 3%                    |
| English as a Second Language, English and Family Learning (including English as a Second Language, English and maths lessons learned as a family)   | 117                     | 1145                       | 19%                   |
| Fitness – includes tai chi, yoga and similar courses  | 27                      | 401                        | 6.5%                  |
| Information Technology  | 47                      | 383                        | 6%                    |
| Maths   | 19                      | 197                        | 3%                    |
| Merton Training – Includes Management courses; usually courses with employers   | 43                      | 314                        | 5%                    |
| Mind and Body – Health and beauty courses   | 15                      | 123                        | 2%                    |
| First Aid   | 12                      | 129                        | 2%                    |
| Hospitality   | 15                      | 128                        | 2%                    |
| Modern Foreign Language   | 46                      | 378                        | 6%                    |
| Performing Arts – includes drama and dance  | 13                      | 122                        | 2%                    |
| Toward Independence – Adults with Learning Disabilities and difficulties and includes a range of courses from across the curriculum.                | 37                      | 303                        | 5%                    |
| Wider Family Learning (Children) - includes courses in all curriculum areas learnt as a family (i.e. science, first aid, photography and many more) | 23                      | 150                        | 2%                    |
| Wider Family Learning (Adults) – includes courses in all curriculum areas learnt as a family (i.e. science, first aid, photography and many more)   |                         | 152                        | 2%                    |

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## Cabinet

**Date: 10 November 2014**

**Subject: Business Plan 2015-19**

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

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

**Contact Officer:** Paul Dale

### **Urgent report:**

Reason for urgency: The chairman has approved the submission of this report as a matter of urgency as it provides the latest available information on the Business Plan and Budget 2015/16 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2015-2019. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 4 March 2015 and set a Council Tax as appropriate for 2015/16.

### **Recommendations:**

---

1. That Cabinet agree the proposed amendments to savings, including replacement savings, set out in Appendix 1 and incorporate the financial implications into the draft MTFS 2015-19.
  2. That Cabinet agree the addition of a capital scheme for £1.3m to be funded from revenue resources and recommend to Council that the capital scheme be added to the Capital Programme.
- 

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

- 1.1 This report requests Cabinet to consider and agree some further proposed amendments to savings, including replacement savings, which have been approved previously and are incorporated into the current MTFS considered and approved by Cabinet at its meeting on 20 October 2014.
- 1.2 Equalities assessments are provided for proposed replacement savings in Appendix 2.

#### **Details**

### **2. Medium Term Financial Strategy 2015-19**

#### **2.1 Background**

At its meeting on 20 October 2014 Cabinet considered a report which updated the Business Plan 2015-19. The report will be considered by the Overview and Scrutiny Panels and Commission in November.

- 2.2 Before identifying savings and income proposals, the budget gap in the MTFS 2015-19 is as follows:-

|                           | 2015/16<br>£000 | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Budget Gap in MTFS</b> | <b>732</b>      | <b>10,763</b>   | <b>24,041</b>   | <b>32,068</b>   |

### 3. Proposed Amendments to Previously Agreed Savings

- 3.1 Cabinet, on 20 October 2014, agreed some proposals from Children, Schools and Families department and Environment and Regeneration department to amend previously approved savings. These are summarised in the following table

| Children, Schools & Families          | 2015/16<br>£000 | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | Total<br>£000 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Savings removed                       | 301             | 90              | 0               | 0               | 391           |
| Replacement Savings                   | (201)           | (90)            | 0               | 0               | (291)         |
| <b>Net CSF changes</b>                | <b>100</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>100</b>    |
| <b>Environment &amp; Regeneration</b> |                 |                 |                 |                 |               |
| Savings deferred                      | 240             | (240)           | 0               | 0               | 0             |
| <b>Net E&amp;R Changes</b>            | <b>240</b>      | <b>(240)</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>      |
| <b>Net Change</b>                     | <b>340</b>      | <b>(240)</b>    | <b>0</b>        | <b>0</b>        | <b>100</b>    |
| <b>NET CUMULATIVE CHANGE</b>          | <b>340</b>      | <b>100</b>      | <b>100</b>      | <b>100</b>      |               |

- 3.2 Following continuous review, there are further amendments proposed to savings previously agreed.
- Community and Housing are replacing £0.400m savings previously agreed with alternative savings of an equivalent value:
  - Children School and Families have identified £0.100m of replacement savings to balance the shortfall in replacement savings reported to Cabinet on 20 October 2014. This will count towards the CSF target agreed by Cabinet.
  - Environment and Regeneration – an alternative saving to reprofile previously agreed savings and address budget pressures identified through budget monitoring is proposed as detailed in Appendix 1. It is currently envisaged that this alternative saving will offset the original saving. An equalities assessment for the alternative saving is attached as Appendix 2.

| <b>Community and Housing</b>            | <b>2015/16<br/>£000</b> | <b>2016/17<br/>£000</b> | <b>2017/18<br/>£000</b> | <b>2018/19<br/>£000</b> | <b>Total<br/>£000</b> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Savings removed                         | 400                     | 0                       | 0                       | 0                       | 400                   |
| Replacement Savings                     | (400)                   | 0                       | 0                       | 0                       | (400)                 |
| <b>Net C&amp;H changes</b>              | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>              |
| <b>Children, Schools &amp; Families</b> |                         |                         |                         |                         |                       |
| Savings removed                         | 0                       | 0                       | 0                       | 0                       | 0                     |
| Replacement Savings                     | 0                       | (100)                   | 0                       | 0                       | (100)                 |
| <b>Net CSF Changes</b>                  | <b>0</b>                | <b>(100)</b>            | <b>0</b>                | <b>0</b>                | <b>(100)</b>          |
| <b>Environment &amp; Regeneration</b>   |                         |                         |                         |                         |                       |
| Savings reprofiled                      | 1,550                   | (1,300)                 | (250)                   | 0                       | 0                     |
| Budget pressures                        | 1,664                   | 0                       | 0                       | 0                       | 1,664                 |
| Replacement Savings                     | (3,214)                 | 1,300                   | 250                     | 0                       | (1,664)               |
| <b>Net E&amp;R Changes</b>              | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>                | <b>0</b>              |
| <b>NET CUMULATIVE CHANGE</b>            | <b>0</b>                | <b>(100)</b>            | <b>(100)</b>            | <b>(100)</b>            |                       |

3.3 Details of the proposed amendments are set out in Appendix 1.

3.4 The request for capital funding of £1.3 million is for the easing of traffic congestion CCTV cameras and the posts/poles that these cameras are attached to. As part of the tender process, in late January 2015, for the above cameras the specification will include the maintenance of the Traffic Enforcement Efficiency CCTV cameras along with the public realm CCTV cameras.

#### 4. Update on Budget Gap

4.1 If the proposed amendments are agreed the budget gap in the draft MTFS 2015-19 will be as follows:-

|   | <b>2015/16<br/>£000</b> | <b>2016/17<br/>£000</b> | <b>2017/18<br/>£000</b> | <b>2018/19<br/>£000</b> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Budget Gap Cabinet<br/>20 October 2014</b> | <b>732</b>              | <b>10,763</b>           | <b>24,041</b>           | <b>32,068</b>           |
| <b>Proposed<br/>amendments</b>                | <b>0</b>                | <b>(100)</b>            | <b>(100)</b>            | <b>(100)</b>            |
| <b>Revised Budget Gap</b>                     | <b>732</b>              | <b>10,663</b>           | <b>23,941</b>           | <b>31,968</b>           |

#### 5. Consultation Undertaken or Proposed

5.1 There will be extensive consultation as the business plan process develops. This will include the Overview and Scrutiny panels and Commission, the Financial Monitoring Task Group, business ratepayers and all other relevant parties.

## **6. Timetable**

- 6.1 In accordance with current financial reporting timetables. A report to Cabinet on 10 November 2014 giving an update to the Business Plan 2015-19 will be requested to approve the proposed amendments and that the MTFS be updated accordingly.
- 6.2 Cabinet on 20 October 2014 agreed the timetable for the Business Plan 2015-19 including the revenue budget 2015/16, the MTFS 2015-19 and the Capital Programme for 2015-19.

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

- 7.1 As contained in the body of the report.

## **8. Legal and statutory implications**

- 8.1 As outlined in the report.

## **9. Human rights, equalities and community cohesion implications**

- 9.1 None for the purposes of this report, these will be dealt with as the budget is developed for 2015 – 2019.

## **10. Crime and Disorder Implications**

- 10.1 Not applicable.

## **11. Risk Management and health and safety implications**

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

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

Appendix 1 – Amendment and replacements of previously agreed Savings

Appendix 2 – Equalities Assessments for replacement savings



**13. Background Papers**

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

2014/15 Budgetary Control and 2013/14 Final Accounts Working Papers in the Corporate Services Department.  
Budget Monitoring working papers  
MTFS working papers

**16. REPORT AUTHOR**

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## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

| Panel   | Ref        | Description of Saving  | Baseline Budget 14/15 £000  | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | Risk Analysis Deliverability | Risk Analysis Reputational Impact |        |
|---|------------|--|---|--------------|--------------|--------------|--------------|------------------------------|-----------------------------------|--------|
| C&YP  | CSF2014-04 | <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> | <p><b>Youth Services</b></p> <p>Reduced investment in commissioned and in-house youth services.</p> <p>reduced budget for central and partnership commissioned youth activities possibly part offset by income/fundraising. Remaining offer will be targeted to young people from areas of highest deprivation. Reduced support for sector capacity building to protect direct provision.</p> <p>Redundancy of both in-house and commissioned services staff.</p> <p>Reduced service offering. Potential impact on youth justice and crime.</p> <p>Potential impact on Housing advice.</p> <p>Will impact on young people from disadvantaged groups within the community but residual offer will continue to be targeted to these groups.</p> | 583          | 100          |              |              |                              | Medium                            | Medium |
| <b>Total Children, Schools and Families Savings</b> |            |  |   |              | 100          | 0            | 0            | 0                            |                                   |        |

**Previously agreed savings and/or current budget pressures****DEPARTMENT: ENVIRONMENT AND REGENERATION**

| Budget Process                            | Ref  | Description of Saving              |    | 2013/14 £000   | 2014/15 £000 | 2015/16 £000 | 2016/17 £000  | 2017/18 £000 | Additional Budget Pressure | TOTAL        |  |
|---|------|------------------------------------|----|--|--------------|--------------|---------------|--------------|----------------------------|--------------|--|
| 2012/15                                   | ER25 | Level 1                            | 1) | <b>Commercial Services</b><br>Commercial Waste and Recycling – This is an area where there is potential to income generate, the financial environment for the in house collection will improve with the withdrawal of the LATS requirement as well as reductions in disposal costs as "Phase B" goes live. At the present time the service is making a small surplus but with increased investment in the service and a marketing plan in place, this could grow by around £500K over the next year or two. It is too early to present substantiated proposals and a monitoring process has been put in place to enable us to determine later on in the year whether increased income can be projected for next year and beyond. |              | 150          | 250           |              |                            | 250          |  |
| 2015/18                                   | EV08 | <b>Service/Section Description</b> |    | <b>Waste disposal</b><br>Increased recycling rate by 3% following education and communications activity funded by WCSS. This will be driven by the incentivisation and education programme due to commence in March 2014.  |              |              |               | 250          |                            | -250         |  |
|   |      | <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   |              |              |               |              |                            |              |  |
| Budget Pressure Only                      |      | <b>Service/Section Description</b> |    | <b>Traffic &amp; Highways</b><br>As a result of a clearer understanding of guidelines and actual patterns of expenditure the section charges a lower level of highways maintenance spend to Capital than previously and, as a result, incurs increased revenue costs that are not sustainable.   |              |              |               |              |                            | 464          |  |
| Budget Pressure Only                      |      | <b>Service/Section Description</b> |    | <b>Parking Services</b><br>Capital costs of c£1.3m are required in 2015/16, which will be funded from anticipated fines from moving traffic contraventions in the first year of operation. An adjustment to the capital programme will be made.  |              |              |               | 1,300        | -1,300                     |              |  |
| Budget Pressure Only                      |      | <b>Service/Section Description</b> |    | <b>Parking Services</b><br>The proposed Deregulation Bill regarding the enforcement of static contraventions using CCTV, will result in the net loss to the authority of around £550K.   |              |              |               |              |                            | 550          |  |
| <b>Total Environment and Regeneration</b> |      |                                    |    | <b>150</b>   | <b>250</b>   | <b>1,550</b> | <b>-1,300</b> | <b>-250</b>  | <b>1,264</b>               | <b>1,664</b> |  |

| Budget Process | Ref | Description of Saving | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | Additional Budget Pressure | TOTAL |
|----------------|-----|-----------------------|--------------|--------------|--------------|--------------|--------------|----------------------------|-------|
|----------------|-----|-----------------------|--------------|--------------|--------------|--------------|--------------|----------------------------|-------|

**Alternative savings proposal and budget pressure mitigation**

**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS**

| Budget Process                            | Ref  | Description of Saving  | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 | 2016/17 £000  | 2016/17 £000 |  |              |
|---|------|--|--------------|--------------|--------------|---------------|--------------|--|--------------|
|   | EV12 | <p><b>Service/Section Description</b></p> <p><b>Parking Services</b><br/>Earlier Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations. This has been agreed in previous budget setting for 16/17 financial year and is proposed to be brought forward following clarification of investment needs and procedures. ANPR will deliver efficient management of moving traffic offences and improve congestion, road safety, bus journey times and traffic flow through the borough</p> <p><b>Service Implication</b> None</p> <p><b>Staffing Implications</b> This new system has the ability to free up enforcement staff from the CCTV PCN verifying process, releasing those officers to carry out more enforcement which will improve the free flow of traffic and reduce congestion. Additional staff will be required and the cost has been netted off the income</p> <p><b>Business Plan implications</b> Capital costs of c£1.3m are required which will be funded from anticipated fines from moving traffic contraventions in the first year of operation. An adjustment to the capital programme will be made.</p> <p><b>Impact on other departments</b> None</p> <p><b>Equalities</b> none</p> |              |              | 3,214        | -1,300        | -250         |  |              |
| <b>Total Environment and Regeneration</b> |      |  | <b>0</b>     | <b>0</b>     | <b>3,214</b> | <b>-1,300</b> | <b>-250</b>  |  | <b>1,664</b> |

## DEPARTMENT: COMMUNITY &amp; HOUSING - SAVINGS TO BE REPLACED

| Panel                             | Ref   | Description of Saving |   | Baseline Budget<br>£000 | 2015/16<br>£000 | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | Risk Analysis<br>Deliverability | Risk Analysis<br>Reputational<br>Impact |
|-----------------------------------|-------|-----------------------|---|-------------------------|-----------------|-----------------|-----------------|-----------------|---------------------------------|---|
| HC&OP                             | CH01  | <u>Service</u>        | <b>Adult Social Care<br/>Access and Assessment</b>  | 37,621                  | 150             | 0               | 0               | 0               | H                               | H                                       |
|                                   |       | Description           | <b>Below Inflation uplift to third party suppliers</b><br>(This will be a total of 7 years at 0% or below inflation uplift to 16/17. There has been resistance and challenge from providers who require that clients are removed from their care and support, or refuse to take newly referred clients. To date Merton has been acting consistently with neighbouring authorities but re-negotiations are on-going. ) |                         |                 |                 |                 |                 |                                 |   |
| HC&OP                             | CH03  | Description           | <b>Brokerage Efficiency Savings.</b><br>Care and support packages will be negotiated and brokered to deliver the best value solution based on assessed need.  | 37,621                  | 200             | 0               | 0               | 0               | H                               | H                                       |
|                                   |       |                       | <u>Commissioning</u>  |                         |                 |                 |                 |                 |                                 |   |
| HC&OP                             | ASC18 | Description           | <b>Supporting People. (Restructure and refocus the use of supporting people services)</b><br>Funding for services provided under Supporting People arrangements is no longer ring-fenced and there are opportunities therefore to fundamentally restructure and refocus the use of SP services.<br>(The total savings target is £350k . This saving proposal was deferred from 2014/15                                | 2,392                   | 50              | 0               | 0               | 0               | M                               | M                                       |
| Total Community & Housing Savings |       |                       |   |                         |                 | 400             | 0               | 0               | 0                               |   |

## DEPARTMENT: COMMUNITY &amp; HOUSING - REPLACEMENT SAVINGS

| Panel  | Ref  | Description of Saving         |  | Baseline Budget 14/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | Risk Analysis Deliverability | Risk Analysis Reputational Impact |
|--|------|-------------------------------|--|----------------------------|--------------|--------------|--------------|--------------|------------------------------|-----------------------------------|
| HC&OP  | CH11 | <u>Service</u><br>Description | <u>Adult Social Care</u><br><u>Access and Assessment</u><br><br>First Contact service  | 125                        | 125          | 0            | 0            | 0            | M                            | H                                 |
|  |      | Service Implication           | Reduce in-house provision of a first contact screening and assessment service, and have this provided within the voluntary sector within the overall costs the sector currently operate within.  |                            |              |              |              |              |                              |                                   |
|  |      | Staffing Implications         | Reduction in staffing (4.5 FTE)  |                            |              |              |              |              |                              |                                   |
|  |      | Business Plan implications    | No specific Implications   |                            |              |              |              |              |                              |                                   |
|  |      | Impact on other departments   | None   |                            |              |              |              |              |                              |                                   |
|  |      | Equalities Implications       | See overall EIA  |                            |              |              |              |              |                              |                                   |
| Panel  | Ref  | Description of Saving         |  | Baseline Budget 14/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | Risk Analysis Deliverability | Risk Analysis Reputational Impact |
| HC&OP  | CH12 | <u>Service</u><br>Description | <u>Access and Assessment</u><br><u>Review of Care Packages</u>   | 37,621                     | 75           | 0            | 0            | 0            | H                            | H                                 |
|  |      | Service Implication           | Intensify programme of reviews of existing support packages in line with the principles of promoting independence, with an expectation that many of our customers can have a reduction in their support packages once they have got through the initial event such as a hospital admission |                            |              |              |              |              |                              |                                   |
|  |      | Staffing Implications         | None   |                            |              |              |              |              |                              |                                   |
|  |      | Business Plan implications    | No specific Implications   |                            |              |              |              |              |                              |                                   |
|  |      | Impact on other departments   | None   |                            |              |              |              |              |                              |                                   |
|  |      | Equalities Implications       | See overall EIA  |                            |              |              |              |              |                              |                                   |
| HC&OP  | CH13 | <u>Service</u><br>Description | <u>Direct Provision</u><br><u>Day care services</u>  | 1,612                      | 200          | 0            | 0            | 0            | M                            | H                                 |
|  |      | Service Implication           | Change the day services offer for learning and physically disabled customers who currently use in house day services, mainly High Path and All Saints. Support packages will be reviewed to make an overall reduction in the level of support being offered.                               |                            |              |              |              |              |                              |                                   |
|  |      | Staffing Implications         | Reduction in staffing  |                            |              |              |              |              |                              |                                   |
|  |      | Business Plan implications    | No specific Implications   |                            |              |              |              |              |                              |                                   |
|  |      | Impact on other departments   | Transport (E&R)  |                            |              |              |              |              |                              |                                   |
|  |      | Equalities Implications       | See overall EIA  |                            |              |              |              |              |                              |                                   |
| <b>Total Community &amp; Housing Savings</b> |      |                               |  |                            | <b>400</b>   | <b>0</b>     | <b>0</b>     | <b>0</b>     |                              |                                   |



## Equality Analysis

|  |   |
|--|---|
| What are the proposals being assessed?   | Savings in CSF Youth Services (CSF2014-04)  |
| Which Department/ Division has the responsibility for this?  | Children Schools and Families, Education Division, Education inclusion  |
| <b>Stage 1: Overview</b>   |   |
| Name and job title of lead officer   | Keith Shipman, Service Manager Education Inclusion  |
| 1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc) | <p>Savings in Youth Services of £100,000 in 2015/16</p> <p>Reduced investment in commissioned and in-house youth services.</p> <p>Reduced budget for central and partnership commissioned voluntary sector youth activities The youth offer will be reduced. Remaining offer will be targeted to young people from areas of highest deprivation as the savings are larger in areas of least deprivation. Reduced support for sector capacity building to protect direct provision and support the organizations that are delivering the youth work reducing their capacity to expand the youth offer and the effectiveness of the youth partnership model.</p> <p>Redundancy of both in-house and commissioned services staff.</p> <p>Reduced service offering. Potential impact on youth justice and crime.</p> <p>Decommissioning of housing advice.</p> <p>Will impact on young people from disadvantaged groups within the community but residual offer will continue to be targeted at these groups.</p> |
| 2. How does this contribute to the council's corporate   | It doesn't contribute to corporate targets  |

|   |  |
|---|--|
| <p>priorities?</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>Young people at risk of homelessness- there is a risk of increased housing presentations – however needs analysis shows that most of the housing service users are out of borough residents studying at South Thames College Merton.</p> <p>Young people - there will be less activities for young people to do</p> <p>Voluntary sector youth groups and MVSC who will have reduced capacity</p> <p>Less part time youth workers in the council as we will reduce offer at Pollards Hill or Phipps Bridge youth centres unless we can raise other 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>Merton Youth Partnership are delivers of the youth offer in the voluntary sector</p> <p>Housing advice is provided at South Thames College.</p>   |

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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).

Usage and take up of commissioned youth services by area of residence in borough and out of borough.



### 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<br>(equality group) | Tick which applies |    | Tick which applies           |    | Reason<br>Briefly explain what positive or negative impact has been identified                          |
|--|--------------------|----|------------------------------|----|---|
|  | Positive impact    |    | Potential<br>negative impact |    |   |
|  | Yes                | No | Yes                          | No |   |
| Age  |                    | ✓  | ✓                            |    | Youth services work with 10 – 19 year olds.   |
| Disability                                   |                    | ✓  | ✓                            |    | Youth services have a disproportionately high number of children with special needs attending sessions. |
| Gender Reassignment                          |                    | ✓  |                              | ✓  |   |
| Marriage and Civil Partnership               |                    | ✓  |                              | ✓  |   |
| Pregnancy and Maternity                      |                    | ✓  |                              | ✓  |   |
| Race   |                    | ✓  |                              | ✓  |   |
| Religion/ belief                             |                    | ✓  |                              | ✓  |   |
| Sex (Gender)                                 |                    | ✓  |                              | ✓  |   |
| Sexual orientation                           |                    | ✓  |                              | ✓  |   |
| Socio-economic status                        |                    | ✓  | ✓                            |    | Resources are targeted at need and volume of young people.  |

#### 7. If you have identified a negative impact, how do you plan to mitigate it?

Income targets will be set for partnerships to cover savings

Young people from Merton can present at Merton housing or seek advice from the Insight centre in Mitcham.

Savings will be graduated so that the largest savings are for Wimbledon then Morden then Mitcham.

**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? |
|--|---|--|----------|------------------------------------|--------------|--|
| Age  | Income targets will be set for partnerships to cover savings  | Funding for partnerships will be monitored through commissioning visits. Partnerships will be supported to seek funding, however the Voluntary sector capacity to support is also being reduced. | April 16 | Seek sources of additional income. | KS/LW        |  |
| Housing need   | Young people from Merton can present at Merton housing or seek advice at the Insight Centre in Mitcham. A meeting between the commissioner and South Thames College where the advice services runs will consider alternative signposting. | Meeting at South Thames College to agree   | Jan 15   |                                    | KS/LW        |  |
| Deprivation – there will still be an impact this is graduating the impact. | Savings will be graduated so that the largest savings are for Wimbledon then Morden then Mitcham.   | Partnerships informed of savings.  | Jan 15   |                                    | KS           |  |

**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 will be a serious impact on the capacity of the youth partnerships to deliver the youth partnership model without MVSC support and with reduced resources. The actions taken above may off set some impact - but effect may still be significant ie less night of youth work.

**Stage 7: Sign off by Director/ Assistant Director**

|  |                                    |                   |                         |
|--|------------------------------------|-------------------|-------------------------|
| <b>Assessment completed by</b>                                   | Keith Shipman, Education Inclusion | <b>Signature:</b> | <b>Date:24/10/2014</b>  |
| <b>Improvement action plan signed off by Director/ Assistant</b> | Jan Martin, AD Education           | <b>Signature:</b> | <b>Date: 24/10/2014</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?                       | EV12: Earlier introduction of unattended Automatic Number Plate Recognition cameras (ANPR) to ease traffic congestion. |
| Which Department/ Division have the responsibility for this? | Environment & Regeneration, Public Protection  |

| Stage 1: Overview  |  |
|--|--|
| 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) | The introduction of ANPR will greatly improve the Council's ability to manage traffic flows, congestion, and traffic pollution, free flow of buses and emergency vehicles as well as ensuring increased safety for pedestrians, particularly around schools.<br>There is no reduction in the level of service and it is envisaged that there will be no deletion of posts. |
| 2. How does this contribute to the council's corporate priorities?   | Resident surveys have listed traffic congestion as one of the top 5 concerns in the borough and it has increased as a concern in the recent past . For the reason outlined above, the introduction of ANPR will significantly help address this concern.   |
| 3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.                       | Initially, motorists who do not comply with the parking regulations will be affected by the issue of a Penalty Charge Notice.  |
| 4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?                          | Not shared.  |

## 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).

Surveys were carried at different locations within the borough with the aim of identifying how efficient and effective the existing enforcement methods are for capturing parking contraventions. These surveys clearly showed that the current methods of enforcement are not as efficient as they should be. The survey was carried out in June 2014 at 24 locations (bus lanes and Moving Traffic Locations) for a period of 1week at each location. The survey data showed that the installation of ANPR cameras at these locations would significantly improve compliance .

## 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<br>(equality group) | Tick which applies |    | Tick which applies           |    | Reason<br>Briefly explain what positive or negative impact has been identified  |
|--|--------------------|----|------------------------------|----|---|
|  | Positive impact    |    | Potential<br>negative impact |    |   |
|  | Yes                | No | Yes                          | No |   |
| Age  | x                  |    |                              | x  | With the expected improvement in compliance by the motorists of the parking regulations pedestrian safety will improve for the older and infirmed in general and children particularly outside schools. |
| Disability                                   | x                  |    |                              | x  | As above improvement in compliance will positively affect people with disabilities.   |
| Gender Reassignment                          | x                  |    |                              | x  | Whilst there will be an effect I am not aware of the level of effect on this group but it will be positive as any improvement in compliance will improve congestion, safety and traffic flows           |
| Marriage and Civil Partnership               | x                  |    |                              | x  | Whilst there will be an effect I am not aware of the level of effect on this group but it will be positive as any improvement in compliance will improve congestion, safety and traffic flows           |
| Pregnancy and Maternity                      | x                  |    |                              | x  | Whilst there will be an effect I am not aware of the level of effect on this group but it will be positive as any improvement in compliance will improve congestion, safety and traffic flows           |
| Race   | x                  |    |                              | x  | Whilst there will be an effect I am not aware of the level of effect on this  |

|                              |   |  |  |   |   |
|------------------------------|---|--|--|---|---|
|                              |   |  |  |   | group but it will be positive as any improvement in compliance will improve congestion, safety and traffic flows  |
| <b>Religion/ belief</b>      | x |  |  | x | Whilst there will be an effect I am not aware of the level of effect on this group but it will be positive as any improvement in compliance will improve congestion, safety and traffic flows |
| <b>Sex (Gender)</b>          | x |  |  | x | Whilst there will be an effect I am not aware of the level of effect on this group but it will be positive as any improvement in compliance will improve congestion, safety and traffic flows |
| <b>Sexual orientation</b>    | x |  |  | x | Whilst there will be an effect I am not aware of the level of effect on this group but it will be positive as any improvement in compliance will improve congestion, safety and traffic flows |
| <b>Socio-economic status</b> | x |  |  | x | Whilst there will be an effect I am not aware of the level of effect on this group but it will be positive as any improvement in compliance will improve congestion, safety and traffic flows |

## 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 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?   |
|---|-----------------------------|---|---------|-----------------------------------|--------------|--|
| If any identified through changes in charges for services               | Action plan to mitigate     | Measuring customer feedback through contact and forums                | 2015    | 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 introduction of ANPR camera enforcement will positively affect all groups listed above by reducing congestion, traffic flows, bus journey times, pollution, and safety for pedestrians and children. Whilst feedback from customers in the form of contact and Council forums will be monitored it is too early to indicate the level and degree of the positive effects.

| Stage 7: Sign off by Director/ Head of Service                  |                                       |   |                  |
|---|---------------------------------------|---|------------------|
| Assessment completed by   | Paul Walshe Parking Services Manager  | Signature: Paul Walshe  | Date: 29/10/2014 |
| Improvement action plan signed off by Director/ Head of Service | John Hill , Head of Public Protection | Signature:<br> | Date:            |



# 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 savings within the Adult Social Care Service Plan for 2015-16                                    |
| Which Department/ Division has the responsibility for this? | Adult Social Care (Access & Assessment, Direct Provision and Commissioning) within the Community & Housing Department |

## Stage 1: Overview

|  |   |
|--|---|
| Name and job title of lead officer   | Douglas Russell, Adult Social Care, 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 include reduction in services as well as services being delivered differently, so there may be some impact on some of the equality groups. The FACS criteria are not being amended, so there will no change in statutory entitlement to support, however there may be a decrease in the options on offer.

A comprehensive consultation exercise on these proposals will be on-going as part of the ASC Service Redesign process. The outcome of which 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<br>(equality group) | Tick which applies |    | Tick which applies           |    | Reason<br>Briefly explain what positive or negative impact has been identified  |
|--|--------------------|----|------------------------------|----|---|
|  | Positive impact    |    | Potential<br>negative impact |    |   |
|  | Yes                | No | Yes                          | No |   |
| Age  | √                  |    |                              | √  | <p><b>Commissioning:</b><br/><i>First Contact Service</i> - reduce in-house provision of a first contact screening and assessment service and have this provided within the voluntary sector with the overall costs the sector currently operate within.</p> <p><b>Access and Assessment:</b><br/><i>Review of Care Packages</i> - intensify programme of reviews of existing support packages in line with the principles of promoting independence, with an expectation that many of our customers can have a reduction in their support packages once they have through the initial event such as a hospital admission.</p> <p><b>Direct Provision:</b><br/><i>Day Care Services</i> - change the day services offer for learning and physically disabled customers who currently use in house day services, mainly High Path and All Saints. Support packages will be reviewed to ensure that the appropriate level of care and support is provided. Some of this provision might come in a different form, for example sessions provided by volunteers rather than paid staff, or a community trip rather than a day at a centre. All packages will be agreed with customers and carers.</p> |
| Disability                                   | √                  |    |                              | √  | <p><b>Commissioning:</b><br/><i>First Contact Service</i> - reduce in-house provision of a first contact screening and assessment service and have this provided within the voluntary sector with the overall costs the sector currently operate within.</p> <p><b>Access and Assessment:</b><br/><i>Review of Care Packages</i> - intensify programme of reviews of existing support packages in line with the principles of promoting independence, with an expectation that many of our customers can have a reduction in their support packages once they have through the initial event such as a hospital admission.</p> <p><i>Day Care Services</i> - change the day services offer for learning and physically disabled customers who currently use in house day services, mainly High Path and All Saints. Support packages will be reviewed to</p>  |

|                                       |  |  |  |  |   |
|---------------------------------------|--|--|--|--|---|
|                                       |  |  |  |  | ensure that the appropriate level of care and support is provided. Some of this provision might come in a different form, for example sessions provided by volunteers rather than paid staff, or a community trip rather than a day at a centre. All packages will be agreed with customers and carers. |
| <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**

### Mitigation Plan

A comprehensive consultation exercise to ensure customers and other stakeholders understand the rationale for the position the council is taking.

- **Potential impact on level of service for customer**

### Mitigation Plan

In addition to the comprehensive consultation exercise, there will be 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 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.**

|  |
|--|
| <b>Stage 5: Improvement Action Pan</b> |
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**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 2015.  | Meetings held and outcome recorded.                                   | March 2015                    | Established                       | RAM/JB/JR/AOS | 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  | On-going and up to March 2018 | 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 and other stakeholders of the proposed changes and to ensure all the risks and negative impacts 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<br>ASC Programme Manager          | <b>Signature:</b> | <b>Date:</b> |
| <b>Improvement action plan signed off by Director/ Head of Service</b> | Simon Williams<br>Director of Community & Housing | <b>Signature:</b> | <b>Date:</b> |