

Merton Council Overview and Scrutiny Commission



Date: 28 January 2016
Time: 7.15 pm
Venue: Committee rooms C, D & E - Merton Civic Centre, London Road, Morden
SM4 5DX

AGENDA

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

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Overview and Scrutiny Commission membership

Councillors:

Peter Southgate (Chair)
Peter McCabe (Vice-Chair)
Stan Anderson
Hamish Badenoch
Brenda Fraser
Suzanne Grocott
Jeff Hanna
Abigail Jones
Oonagh Moulton
Katy Neep

Substitute Members:

David Simpson CBE
John Dehaney
Russell Makin
John Sargeant
David Williams

Co-opted Representatives

Simon Bennett, Secondary and Special School Parent Governor Representative
Denis Popovs, Primary School Parent Governor Representative
Colin Powell, Church of England diocese
Geoffrey Newman (Co-opted member, non-voting)

Note on declarations of interest

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

What is Overview and Scrutiny?

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

Scrutiny's work falls into four broad areas:

- ⇒ **Call-in:** If three (non-executive) councillors feel that a decision made by the Cabinet is inappropriate they can 'call the decision in' after it has been made to prevent the decision taking immediate effect. They can then interview the Cabinet Member or Council Officers and make recommendations to the decision-maker suggesting improvements.
- ⇒ **Policy Reviews:** The panels carry out detailed, evidence-based assessments of Council services or issues that affect the lives of local people. At the end of the review the panels issue a report setting out their findings and recommendations for improvement and present it to Cabinet and other partner agencies. During the reviews, panels will gather information, evidence and opinions from Council officers, external bodies and organisations and members of the public to help them understand the key issues relating to the review topic.
- ⇒ **One-Off Reviews:** Panels often want to have a quick, one-off review of a topic and will ask Council officers to come and speak to them about a particular service or issue before making recommendations to the Cabinet.
- ⇒ **Scrutiny of Council Documents:** Panels also examine key Council documents, such as the budget, the Business Plan and the Best Value Performance Plan.

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

For more information, please contact the Scrutiny Team on 020 8545 3864 or by e-mail on scrutiny@merton.gov.uk. Alternatively, visit www.merton.gov.uk/scrutiny

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OVERVIEW AND SCRUTINY COMMISSION

24 NOVEMBER 2015

(19.15 - 22.00)

PRESENT Councillor Peter Southgate (in the Chair),
Councillor Peter McCabe, Councillor Stan Anderson,
Councillor Hamish Badenoch, Councillor Brenda Fraser,
Councillor Suzanne Grocott, Councillor Jeff Hanna,
Councillor Abigail Jones, Councillor Oonagh Moulton,
Councillor Katy Neep and Denis Popovs

Julia Groom (Consultant in Public Health), Caroline Holland (Director of Corporate Services), Howard Joy (Property Management & Review Manager), Julia Regan (Head of Democracy Services) and Yvette Stanley (Director of Children, Schools & Families)

1 WORK PROGRAMME 2015/16 (Agenda Item 9)

AGREED.

Noted that the asset management plan will be reported to Cabinet in January 2016 instead of December 2015.

2 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from co-opted members Geoffrey Newman and Colin Powell.

3 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

None.

4 BUSINESS PLAN UPDATE 2016-20 (Agenda Item 3)

Corporate services savings proposals

Caroline Holland, Director of Corporate Services, introduced the replacement and new savings proposals for the corporate services department. In response to a question about which posts in the resources division were affected by proposal CS46 and whether they were vacant posts, Caroline Holland undertook to provide this information, together with an explanation of why the deletion was being deferred.

ACTION: Director of Corporate Services

In response to question about savings proposal CS2015-05, Caroline Holland confirmed that the proposed staffing savings would be dependent on the successful rollout of the new financial management system.

In response to a question about savings proposal CS2015-06 deletion of an auditor post, Caroline Holland said that this would be partly offset by reduced costs within the shared service but may also result in a reduction of audit provision.

Medium term financial strategy

Caroline Holland highlighted some of the adjustments that had been made to the medium term financial strategy, including inflation assumptions, pay adjustments and revised predictions on government grants.

In response to a question about reserves Caroline Holland explained that the earmarked reserves include a “balancing the budget” reserve to assist in ensuring that a balanced budget is achieved each year (if savings exceed the target in one year the reserve can be topped up and then paid out if there is a shortfall in a subsequent year). If the Revenue Support Grant is considerably lower than predicted, the reserve can be used to give the council time to consider its approach to identifying further savings.

The Chair invited Lyla Adwan-Kamara, CEO, Merton Centre for Independent Living to address the meeting. Lyla Adwan-Kamara said that many of the proposed savings, not just those in adult social care, would impact on disabled people in the borough. She said that she was looking for a robust debate about the savings choices being made by the council, including challenge from the scrutiny panels. She said that the year on year approach made it difficult to appreciate the full scale and impact of the savings programme and that the public had been consulted on some aspects but not on others. She also said that it was difficult to understand why some departments’ savings targets had increased more than others.

Caroline Holland responded by explaining that unmet departmental savings targets were rolled forward each year in order to not penalise those departments who had met their targets. The ratios set for each department related to controllable expenditure and were as follows:

- 0.75 Children, Schools and Families Department
- 1.00 Communities and Housing Department
- 1.50 Environment and Regeneration Department
- 1.50 Corporate Services Department

Caroline Holland added that there was a statutory requirement to consult the public on some savings but not on others. There is no requirement to consult on the medium term financial strategy or on the overall budget, apart from with business rate payers. The council has re-instated the meeting with voluntary sector groups to explain how the budget is put together. Meetings also take place with the trade unions.

Members discussed whether to send a reference to Cabinet. It was generally felt that the savings that were being proposed were inevitable and that there was a lack of alternative measures that could be taken. There was some frustration that alternative savings had not been submitted to provide a basis for choice. There were mixed views on whether, given the context, scrutiny should express its anxieties and

concerns to Cabinet and there was a consensus to not send a reference to cabinet in relation to this round of budget scrutiny.

Members asked Julia Regan, Head of Democracy Services, to email all councillors alerting them to the briefing session on the budget that the Director of Corporate Services will be giving on 6 January. ACTION: Head of Democracy Services

RESOLVED: to use a future meeting of the Commission for in-depth scrutiny of the allocation of savings target weightings between council departments, including consideration of changes in demand and information on the approach taken by other boroughs. The recommendations from this review would apply to the 2017/18 budget.

5 MINUTES OF THE PREVIOUS MEETING (Agenda Item 4)

AGREED subject to the addition of apologies received from co-opted members Peter Connellan and Colin Powell

6 VIOLENCE AGAINST WOMEN AND GIRLS - UPDATE REPORT (Agenda Item 5)

Yvette Stanley, Director of Children Schools and Families, introduced the report. She said that the report provides an overview of the strategic work that has been carried out by the Violence Against Women and Girls Strategic Board since she last reported to the Commission a year ago. She highlighted the work that has been done on improving the performance of the Multi Agency Risk Assessment Conference.

Yvette Stanley provided additional information in response to questions:

- The prevalence data in the Cordis Bright report is based on population estimates and triangulated with local police data
- It is hard to get figures on trafficking but there is no evidence that there is a particular issue in Merton. There is a local organisation that is actively working to expose trafficking and that is why Merton has hosted meetings on the issue
- There is a range of awareness raising and training activities in schools including specific training, work by the child protection lead group, PSHE curriculum advice and resources, theatre groups and targeted work with girls on self esteem and boys on gangs
- The Cordis Bright report has been value for money and has given focus and identified priorities which have been helpful and lead to a more sophisticated way of working
- There are insufficient programmes for perpetrators nationally, regionally and locally
- Refuge provision has recently been re-commissioned by Public Health in accordance with a pan London agreement as people experiencing domestic violence are often placed out of borough
- There is an advertising campaign to provide information to potential and actual victims, including details of where to go to get support. Work has also been carried out with referring agencies to identify and address any under-reporting

Members agreed that it would be helpful to have Merton baseline data that would then be tracked over time to measure success. Yvette Stanley said that the Board was working towards this but pulling together disparate data sets, including police data, was proving complex.

RESOLVED: to receive a report in 12 months time on progress with implementation of the four Multi Agency Risk Assessment Conference action points. This report should include data, where available, on the number of offences and reoffending rates, based on actual numbers rather than extrapolations.

7 HEALTH AND WELLBEING BOARD RESPONSE TO THE RECOMMENDATIONS OF THE IMMUNISATION TASK GROUP (Agenda Item 6)

Julia Groom, Consultant in Public Health, said that the Health and Wellbeing Board had endorsed the scrutiny task group's recommendations and had incorporated them in the immunisation action plan as set out in the report. She drew the Commission's attention to the most recent data on immunisation and the description of recent changes in commissioning arrangements. She provided additional information in response to questions:

- Public Health attends GP locality group meetings each month. Discussion includes the latest immunisation data so that GP practices are aware of their performance
- There are about 20 health champions at present, mainly towards the east of the borough. Public health are looking for opportunities to recruit more but health, council and school staff are also expected to promote immunisation

Members welcomed the improvement in immunisation rates but noted that the performance on the pre school booster for diphtheria, tetanus, polio, pertussis is below the London average. Julia Groom said that particular immunisation had been a challenge for some years, partly due to communication issues, but the full picture is not clear and it would be interesting to do some research on the reasons for this under-performance. Members said they would support that work being done.

RESOLVED: to request an update report in 12 months time

8 TRAVELLER PROTOCOL (Agenda Item 7)

The Chair explained that this draft protocol had been brought to the Commission prior to Cabinet so that there would be an opportunity to make recommendations for change.

Howard Joy, Property Management and Review Manager, introduced the report. He said that the draft protocol had drawn on experience of dealing with Traveller encampments in Merton and in adjoining boroughs, an examination of available legislation and discussion with the police. It is expected that the processes set out in

the draft protocol will speed up the process for removal whilst ensuring that the council's responsibilities in respect of safeguarding the Travellers' welfare are met.

Yvette Stanley, Director of Children Schools and Families, added that further changes would be made to the draft protocol once it had been checked against requirements under the Children's Act. It also requires amendments in relation to staff training on safeguarding issues, the timeline in relation to inter-agency assessments and to embed safeguarding reassurances.

The Chair said that, due to concerns regarding the statement in paragraph 2.15 that "it has proved very difficult to engage with Sutton and Merton Community Services both in this review and in obtaining welfare assessments", he had invited them to send a representative to attend this meeting. As no-one had been available at short notice, they undertook to provide a written statement. The Chair expressed disappointment that this had not been received.

Yvette Stanley informed the Commission that the health welfare assessment service had been re-commissioned and there would be a new provider from April 2016. The previous contract had been poorly specified and had been inherited by the council. The new contract would provide an opportunity for a fresh start to ensure that arrangements are as robust as possible.

Howard Joy provided additional information in response to questions:

- his team provides advice to private landlords regarding the legislation and what action they could take. Private landlords are not required to undertake welfare assessments.
- The number of unauthorised encampments, particularly large ones, has been increasing. He undertook to provide data by email.
- There is a shortage of sites across London and no councils had offered to provide more when the Mayor reviewed the issue a few years ago

Members commented on the anxiety and disruption that Traveller encampments cause to local residents and welcomed the faster process set out in the draft protocol. They commented on the importance of communication to ward councillors, especially in relation to the council's conflicting responsibilities, and thanked Howard Joy's team for being proactive in regard to this in the past. They requested that the task of updating ward councillors be included in the protocol and set out in the flowchart.

Members suggested that a checklist containing bullet points would make it easier for officers to follow the process. Caroline Holland, Director of Corporate Services, added that the Corporate Management Team has asked for timelines to be added to the chart.

RESOLVED: To recommend to Cabinet that the following changes be made to the draft protocol:

- To include, in the text and in the flowchart, the responsibility to provide regular updates to ward councillors about unauthorised encampments and progress being made towards removal, as well as explaining the council's responsibilities in regard to safeguarding the welfare of Travellers.
- To include a checklist in bullet-point form to make it easier for officers to follow the process.

9 NOTE OF THE FINANCIAL MONITORING TASK GROUP MEETING, 5
NOVEMBER 2015 (Agenda Item 8)

AGREED subject to the factual amendments approved by the task group Chair, Councillor Hamish Badenoch, being made.

Committee: Sustainable Communities Overview and Scrutiny Panel

7 January 2016

Healthier Communities & Older People Overview and Scrutiny Panel

12 January 2016

Children and Young People Overview and Scrutiny Panel

13 January 2016

Overview and Scrutiny Commission

28 January 2016

Wards: ALL

Subject: Business Plan Update 2016-2020 (Members are requested to bring the Business Plan Consultation Pack with them to these meetings)

Lead officer: Caroline Holland

Lead member: Councillor Mark Allison

Contact officer: Paul Dale

Recommendations:

1. That the Panel considers the proposed additional amendments to savings set out in the Business Plan Consultation Pack which it is proposed are incorporated into the financial implications into the draft MTFS 2016-20.
 2. That the Overview and Scrutiny Commission also consider the Draft Business Plan 2016-20 report received by Cabinet at its meeting on 18 January 2016
 3. That the Panel considers the draft capital programme 2016-20 and indicative programme for 2021-25 set out in Appendix 4 of the attached report on the Business Plan
 4. That the Panel considers the draft savings/income proposals and associated equalities analyses set out in the Business Plan Consultation Pack
 5. That the Panel considers the draft service plans set out in the Business Plan Consultation Pack
 6. That the Panel considers the contents of the consultation pack circulated
 7. That the Overview and Scrutiny Commission considers the comments of the Panels on the Business Plan 2016-2012 and details provided in the consultation pack and provides a response to Cabinet when it meets on the 15 February 2016.
-

1. Purpose of report and executive summary

- 1.1 This report requests Scrutiny Panels to consider the latest information in respect of the Business Plan and Budget 2016/17, including proposed amendments to savings previously agreed by Council, the draft capital programme 2016-20, the draft savings/income proposals and associated equalities analyses for 2016-19, and draft service plans, and feedback comments to the Overview and Scrutiny Commission.
- 1.2 The Overview and Scrutiny Commission will consider the comments of the Panels and provide a response on the Business Plan 2016-20 to Cabinet when it meets on the 15 February 2016.

2. Details - Revenue

- 2.1 The Cabinet of 7 December 2015 received a report on the business plan for 2016-20.

- 2.2 At the meeting Cabinet

RESOLVED:

That Cabinet

- 1). agrees the draft savings/income proposals (Appendix 1) and associated draft equalities analyses (Appendix 5) put forward by officers to go to Cabinet and refers them to the Overview and Scrutiny panels and Commission in January 2016 for consideration and comment.
- 2). agrees the latest amendments to the draft Capital Programme 2016-2020 which was considered by Cabinet on 19 October 2015 and by scrutiny in November 2015.(Appendix 4)
- 3). considers the proposed amendments to savings previously agreed. (Appendix 2)
- 4). consider the draft service plans. (Appendix 6)

3. Alternative Options

- 3.1 It is a requirement that the Council sets a balanced budget. The Cabinet report on 7 December 2015 sets out the progress made towards setting a balanced budget. This identified the current budget position that needs to be addressed between now and the next report to Cabinet on 18 January 2016 and 15 February 2016, prior to Council on 2 March 2016, agreeing the Budget and Council Tax for 2016/17 and the Business Plan 2016-20, including the MTFs and Capital Programme 2016-20.

4. Capital Programme 2016-20

- 4.1 Details of the draft Capital Programme 2016-20 were agreed by Cabinet on 7 December 2015 in the attached report for consideration by Overview and Scrutiny panels and Commission.

5. Consultation undertaken or proposed

- 5.1 Further work will be undertaken as the process develops.
- 5.2 As previously indicated, a savings proposals consultation pack was prepared and distributed to all councillors at the end of December 2015 with a request that it be brought to all Scrutiny and Cabinet meetings from 7 January 2016 onwards and to Budget Council. This should be an improvement for both councillors and officers - more manageable for councillors and it will ensure that only one version of those documents is available so referring to page numbers at meetings will be easier. It will also considerably reduce printing costs and reduce the amount of printing that needs to take place immediately prior to Budget Council.
- 5.3 The consultation pack includes:
- Savings proposals
 - Equality impact assessment for each saving proposal
 - Service plans (these will also be printed in A3 to lay round at scrutiny meetings)

6. Timetable

- 6.1 The timetable for the Business Plan 2016-20 including the revenue budget 2016/17, the MTFS 2016-20 and the Capital Programme for 2016-20 was agreed by Cabinet on 14 September 2015.

7. Financial, resource and property implications

- 7.1 These are set out in the Cabinet report for 7 December 2015. (Appendix 1)

8. Legal and statutory implications

- 8.1 All relevant implications have been addressed in the Cabinet reports. Further work will be carried out as the budget and planning proceeds and will be included in the budget report to Cabinet on the 7 December 2015.
- 8.2 Detailed legal advice will be provided throughout the budget setting process further to any proposals identified and prior to any final decisions.

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

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

9.2 A draft equalities assessment has been carried out with respect to the proposed budget savings and is included in the Business Plan Consultation Pack circulated to all Members.

10. **Crime and Disorder implications**

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

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

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

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

Appendix 1 - Cabinet report 7 December 2015: Draft Business Plan Update 2016-20 (NB: This excludes Savings and Equalities Assessments which are included in the Business Plan Consultation Pack)

Appendix 2 - Cabinet report 18 January 2016: Draft Business Plan 2016-20

BACKGROUND PAPERS

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

Budget files held in the Corporate Services department.

2015/16 Budgetary Control and 2014/15 Final Accounts Working Papers in the Corporate Services Department.

Budget Monitoring working papers

MTFS working papers

13. **REPORT AUTHOR**

– Name: Paul Dale

– Tel: 020 8545 3458

email: paul.dale@merton.gov.uk Budget files held in the Corporate Services department.

Cabinet

7 December 2015

Agenda item:

Business Plan Update 2016-2020

Lead officer: Caroline Holland

Lead member: Councillor Mark Allison

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

Contact officer: Paul Dale

Recommendations:

1. That Cabinet considers and agrees the draft savings/income proposals (Appendix 1) and associated draft equalities analyses (Appendix 5) put forward by officers to go to Cabinet and refers them to the Overview and Scrutiny panels and Commission in January 2016 for consideration and comment.
 2. That Cabinet agrees the latest amendments to the draft Capital Programme 2016-2020 which was considered by Cabinet on 19 October 2015 and by scrutiny in November 2015.(Appendix 4)
 3. That Cabinet considers the proposed amendments to savings previously agreed. (Appendix 2)
 5. That Cabinet consider the draft service plans. (Appendix 6 – to follow)
-

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update to Cabinet on the Business Planning process for 2016-20 and in particular on the progress made so far towards setting a balanced revenue budget for 2016/17 and over the MTFS period as a whole.
- 1.2 Specifically, the report provides details of revenue savings and income proposals put forward by officers in order to meet the savings/income targets agreed by Cabinet in September 2015.
- 1.3 The report also provides an update on the capital programme for 2016-20 and the financial implications for the MTFS.

- 1.4 The report provides a general update on all the latest information relating to the Business Planning process for 2016-20 and an assessment of the implications for the Medium Term Financial Strategy 2016-2020.
- 1.5 This report is one of the budget updates through the financial year and will be referred to the Overview and Scrutiny Panels and Commission in January 2016.

2. DETAILS

Introduction

- 2.1 A review of assumptions in the MTFFS was undertaken and reported to Cabinet on 14 September 2015. There was also a report to Cabinet on 19 October 2015 which considered and agreed the initial savings/income proposals put forward by officers, provided an update on progress made towards achieving savings previously agreed and proposed some amendments to these, and also provided details of the latest capital programme, including new bids and an indicative programme for 2021- 2025. The report was referred them to the Overview and Scrutiny panels and Commission for consideration.
- 2.2 Taking into account the information contained in both the September and October Cabinet reports, the overall position of the MTFFS reported to Cabinet on 19 October 2015 was as follows:-

| | 2016/17 £000 | 2017/18 £000 | 2016/17 £000 | 2017/18 £000 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| MTFS Gap (Cabinet October 2015) | 0 | 0 | 0 | 5,132 |

2.3 Review of Assumptions

Since Cabinet in October, work has been continuing to review assumptions, identify new savings/income proposals and analyse information which has been received since then.

2.3.1 Pay

As reported to Cabinet in September 2015, in the Summer Budget 2015, which the government presented on 8 July 2015, it was announced that public sector pay awards will be funded for a pay award of 1% for 4 years from 2016/17 onwards. There is no further change proposed.

Provision for Pay Inflation:

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|
| Revised pay inflation (%) | 1.0% | 1.0% | 1.0% | 1.0% |
| Provision for Pay inflation (cumulative £000) | 883 | 1,767 | 2,650 | 3,534 |

2.3.2 Prices

The level of inflation has fallen significantly below the Government's 2% target. The Consumer Prices Index (CPI) fell by 0.1% in the year to October 2015, the same fall as in the year to September 2015. Upward price pressures for clothing and footwear and a range of recreational goods were offset by downward price pressures for university tuition fees, food, alcohol and tobacco, resulting in no change to the overall rate of inflation. The rate of inflation has been at or around 0.0% for most of 2015.

In its November 2015 Inflation Report, the Bank of England's Monetary Policy Committee (MPC) provided the following summary in respect of the prospects for inflation: "CPI inflation has remained close to zero. GDP growth has slowed over the past year to around its past average rate. A weaker global backdrop together with falls in the prices of risky assets are weighing on the outlook for UK growth, but they are counterbalanced by support from falls in market interest rates and commodity prices. Conditioned on a very gently rising path for Bank Rate, the MPC judges that four-quarter growth is likely to remain around current rates and the slack remaining in the economy is likely to be absorbed. Recent falls in oil and other commodity prices mean that inflation is likely to remain lower than previously expected until late 2017 but, on the conditioning path for Bank Rate, the MPC's best collective judgement is that CPI inflation will return to the 2% target in around two years and rise above it thereafter."

The provision for price inflation has been reviewed using the budgets for 2015/16. The majority of contracts are based on RPI increases and RPI annual inflation stands at 0.7% in October 2015, down from 0.8% in September 2015. The budget for 2015/16 was therefore overprovided for and the inflation provision in 2016/17 was reduced to 0.5%.

The latest projections are included in the following table:-

Provision for Price Inflation:

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---------------------------------------|---------|---------|---------|---------|
| Price inflation in MTFS (%) | 0.5% | 1.5% | 1.5% | 1.5% |
| Revised estimate (cumulative £000) | 741 | 2,964 | 5,187 | 7,410 |

2.3.3 Inflation > 1.5%:

There is also a corporate provision which is held to assist services that may experience price increases greatly in excess of the 0.5% and 1.5% inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand. There is no further change proposed.

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| Inflation exceeding 1.5% | 540 | 536 | 536 | 536 |

In the Summer Budget 2015, it was announced that, from April 2016, a new National Living Wage of £7.20 an hour for those aged 25 and over will be introduced. This will rise to over £9 an hour by 2020. The impact of this on the Council's budgets is difficult to quantify as it will have a potential impact on a wide range of services which are currently outsourced, including care contracts. Employees of the council receive the London Living Wage which is currently £9.15 an hour. The cash limiting strategy is not without risks but if current levels of inflation were applied un-damped across the period then the budget gap would not change significantly by 2018/19.

2.3.4 Income

The MTFS does not include any specific provision for inflation on income from fees and charges. However, service departments can identify increased income as part of their savings proposals.

2.3.5 Pension Fund

The Pension fund demonstrated a significant reduction in deficit in 2014/15. However, the prospects for the costs of funding future year's benefits remain unclear. A revaluation will be undertaken using data at 31/3/2016. This will be implemented at 1st April 2017. It is not proposed to make any changes in assumptions about the pension fund until the valuation is clearer. There may also be further changes to the administration of the scheme which would have an impact on the valuation.

2.3.6 Taxicards and Freedom Passes

These schemes are administered by London Councils on behalf of London boroughs. Latest information from London councils indicates that negotiations with Transport for London (TfL) and the Association of Train Operating Companies (ATOC) will be concluded at the end of November 2015.

The MTFS includes the following amounts for Taxicards and Freedom Passes:-

| | Current Estimate 2015/16 £000 |
|-------------------------------|--|
| Freedom Passes | 9,009 |
| Taxicards | 170 |
| Total | 9,179 |
| Uplift in MTFS | 450 |
| Provision in MTFS for 2016/17 | 9,629 |

Initial indications are that the charge to Merton for 2016/17 will be within the provision but this provision will be reviewed and reported when the figures are finalised.

2.3.7 Growth

The MTFS does not include any provision for growth from 2016/17 to 2019//20.

2.3.8 Revenuisation

In recent budgets it has been recognised that some expenditure formerly included in the capital programme could no longer be justified as it did not meet the definition of expenditure for capital purposes. Nevertheless, it is important that some of this expenditure takes place and the following amounts have been included in the latest MTFS for 2016-20:-

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|---------------|-----------------|-----------------|-----------------|-----------------|
| Revenuisation | 2,426 | 2,436 | 2,433 | 2,433 |

The expenditure charged to capital during the current year is being closely monitored and is being reported through the monitoring report.

2.4 **Forecast of Resources and Local Government Finance Settlement**

2.4.1 Background

Each year in December, the Department of Communities and Local Government (DCLG) notifies local authorities of their Provisional Local Government Finance Settlement. The final Settlement figures are published the following January/February but are generally unchanged from the provisional figures. The total amount of funding available for local authorities is essentially determined by the amount of resources that Central Government has allocated as part of its annual Departmental Expenditure Limit.

2.4.2 Spending Review and Autumn Statement 2015

In September, the Chancellor wrote to the Office for Budget Responsibility (OBR) asking them to publish a forecast on 25 November and making this a joint Spending Review and Autumn Statement. The OBR was set up in 2010 to provide an independent analysis of the government's finances and produces forecasts for the next five years twice a year – at Budget and at Autumn Statement. On 25 November 2015 the government published a joint Spending Review and Autumn Statement and there was also an Office for Budget Responsibility (OBR) forecast.

In the Spending Review the government decides budgets for each department, called departmental settlements. The departmental settlements are the amount the government has allocated to each department to spend over the Parliament.

The information published will be analysed and included in the report to Cabinet on the Business Plan in January 2016.

2.4.3 Funding Forecasts for 2016/17 to 2019/20

Forecasting resources for 2016/17 and beyond is fraught with difficulties since it requires making assumptions about a wide variety of variables which the Government are not prepared to release at the current time. These include indications of resources provided to Government Departments in their Departmental Expenditure Limits (DELs). The

Government's protection of some departments (Overseas Aid, Education and Health) and the additional commitment to increase defence budgets will mean that other areas such as local government will continue to bear the brunt of the cuts in public sector funding.

The Spending Review and Autumn Statement published on 25 November provided details of planned spending at a Government departmental level but details at an individual local authority level only become available when the Provisional Local Government Finance Settlement is announced by the Department for Local Government and Communities in late December 2015.

A full update and analysis of the implications for Merton will be included in the report to Cabinet on the Business Plan in January 2016.

Officers will continue to analyse all of the available information, from sources such as the Institute of Fiscal Studies (IFS) and London Councils, to produce as accurate forecasts of resources as possible. This will entail making assumptions about the extent to which Government ring-fencing will continue. Figures will be updated throughout the business planning process as more information becomes available.

2.4.4 Local authority public health allocations 2015 to 2016 – consultation

It was previously reported in September that as part of a wider government action on deficit reduction, the Department of Health (DH) has been asked to deliver savings of £200 million in the financial year 2015 to 2016 through reductions in the Public Health Grant (PHG) to local authorities (LAs).

On 4 November 2015, the Government announced the outcome of its consultation on the £200m cut to public health funding in 2015-16. It states that "After considering the consultation responses, the department has decided to proceed with the savings by reducing each local authority's (LA) grant by an equal percentage. This was option C in the consultation document. The saving will be implemented through a reduction in the fourth quarterly instalment of the grant, which will be brought forward from January 2016 to November 2015." This confirms the details of the cut to Merton's grant as follows:-

Straight 6.2% cut (£m)

| | PH grant allocation excluding 0-5 | 0-5 allocation (part year) | Total 15/16 PH allocation | Revised allocation with 6.2% cut | Cut (£m) | Cut (%) | Total allocation (% England total) |
|--------|-----------------------------------|----------------------------|---------------------------|----------------------------------|----------|---------|------------------------------------|
| Merton | 9.236 | 1.476 | 10.712 | 10.049 | -0.663 | -6.2% | 0.3% |

2.5 Capital Financing Costs

- 2.5.1 As previously reported the Capital Programme has been reviewed and revised and a draft programme for 2016-2020 was approved by Cabinet on 19 October 2015, along with an indicative programme for 2021-25.
- 2.5.2 Section 6 of this report sets out details of progress made towards preparing the draft capital programme 2016-20.
- 2.5.3 The estimated capital financing costs based on the latest draft programme, which includes the best estimate of new schemes commencing in 2019/20, the effect of estimated government grant funding and slippage/reprofiling based on 2011/15 outturn and latest monitoring information are set out in the following table. This also includes an element of revenue contribution to fund short-life assets:-

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|----------------------|-----------------|-----------------|-----------------|-----------------|
| Capital Programme | 41,036 | 41,734 | 27,643 | 13,131 |
| | | | | |
| Revenue Implications | 13,621 | 13,744 | 13,917 | 14,650 |

2.6 Council Tax Base

- 2.6.1 The Council Tax Base is a key factor which is required by levying bodies and the Council for setting the levies and Council Tax for 2016/17. The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax Base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent). This will be used to set the Council Tax at Band D for 2016/17. The Council is required to determine its Council Tax Base by 31 January 2016.
- 2.6.2 Details of the Council Tax Base for 2016/17 will be included in the Business Plan report to Cabinet in January 2016.

2.7 Proposed Amendments to Previously Agreed Savings

- 2.7.1 Cabinet on 19 October 2015 agreed some proposed amendments to savings which had been agreed in previous year's budgets and also agreed that the financial implications should be incorporated into the draft MTFs 2016-20.

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

| SUMMARY (cumulative) | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Corporate Services | - | 495 | 448 | - | - |
| Children, Schools & Families | - | - | - | - | - |
| Environment and Regeneration | - | 100 | - | - | - |
| Community and Housing | - | 178 | 778 | 978 | 978 |
| Net Cumulative total | - | 773 | 1,226 | 978 | 978 |

2.7.2 Community and Housing Department have now identified proposals to offset the outstanding balance of £0.978m. Details of these are set out in Appendix 2.

| SUMMARY (cumulative) | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Corporate Services | - | 495 | 448 | - | - |
| Children, Schools & Families | - | - | - | - | - |
| Environment and Regeneration | - | 100 | - | - | - |
| Community and Housing | - | 178 | 648 | - | - |
| Net Cumulative total | - | 773 | 1,096 | - | - |

2.7.3 Corporate Services

It is proposed that a previously agreed saving (CS07 - £47K) which relates to a restructure of the Post & Print Room and deletion of two posts should be deferred from 2016/17 to 2017/18. Also, it is proposed to defer saving CSD43 (2015/16) for one year. This saving relates to sharing FOI and information governance policy with another council.

2.7.4 Environment and Regeneration

A number of deferred and replacement savings are proposed and further details are set out in Appendix 2.

2.7.5 If all of the proposed amendments to previously agreed savings are approved (October and December), the impact on the MTFS is as follows:-

| SUMMARY (cumulative) | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Corporate Services | 0 | 582 | 458 | 0 | 0 |
| Children, Schools & Families | 0 | 0 | 0 | 0 | 0 |
| Environment and Regeneration | 0 | 744 | 0 | 0 | 0 |
| Community and Housing | 0 | 178 | 648 | 0 | 0 |
| Net Cumulative total | 0 | 1,504 | 1,106 | 0 | 0 |

2.8 Provisional Local Government Finance Settlement 2015/16

- 2.8.1 As indicated in paragraph 2.4, details of the Spending Review and Autumn Statement 2015 were announced by the Chancellor of the Exchequer on 25 November 2014.
- 2.8.2 The provisional Local Government Finance Settlement is usually published about two weeks later so details are expected in the second/third week of December.
- 2.8.3 The estimates for central Government funding currently included in the draft MTFs are based on the latest information available and a further update will be provided in the Business Plan Update report to Cabinet in January 2016.

3. FEEDBACK FROM THE OVERVIEW AND SCRUTINY PROCESS IN NOVEMBER 2015

- 3.1 The information available on the Business Planning process reported to Cabinet on 19 October 2015 was reviewed by the Overview and Scrutiny Panels and Commission in November 2015.
- 3.2 Feedback is included in a separate report to Cabinet on the agenda.

4. SAVINGS PROPOSALS 2016-20 AND SERVICE PLANNING

Controllable budgets and Savings Targets for 2016-20

- 4.1 Cabinet on 19 October 2015 agreed some initial proposals from service departments to set against the savings targets agreed by Cabinet on 14 September 2015

These are summarised in the following table:-

| | Targets £'000 | Proposals £'000 | Balance £'000 |
|---|--------------------------|----------------------------|--------------------------|
| Corporate Services | 2,338 | 438 | 1,900 |
| Children, Schools & Families | 2,580 | 555 | 2,025 |
| Environment & Regeneration | 6,568 | 2,537 | 4,031 |
| Community & Housing | 3,815 | 2,435 | 1,380 |
| Total Surplus/(Shortfall) | 15,301 | 5,965 | 9,336 |
| Community & Housing replacements for £809,000 * | 978 | 0 | 978 |
| Total Savings/Income Proposals | 16,279 | 5,965 | 10,314 |

* Community and Housing Department have identified savings of £0.978m to replace the balance arising from the adjustments to previous year's savings agreed in October 2015. These are set out in Appendix 2.

- 4.2 Since then service departments have been reviewing their budgets and formulating further proposals to address their targets. The progress made to date is set out in this report.
- 4.3 Proposals that Cabinet agree at this meeting will be referred to the Overview and Scrutiny Commission and panels for review and comment in January 2016.
- 4.4 The additional proposals submitted by each department are summarised in the following table and set out in detail in Appendix 1.

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total |
|----------------------------------|----------------|----------------|----------------|----------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Corporate Services | 0 | 104 | 555 | 0 | 659 |
| Children, Schools & Families | 0 | 189 | 201 | 0 | 390 |
| Environment & Regeneration | 0 | 308 | 225 | 0 | 533 |
| Community & Housing | 0 | 0 | 0 | 0 | 0 |
| Total Surplus/(Shortfall) | 0 | 601 | 981 | 0 | 1,582 |

4.5 Summary of progress to date

- 4.5.1 If all of the proposals are accepted, the balance remaining to find is:-

| | Targets | Proposals | Proposals | Balance |
|------------------------------|----------------|------------------|------------------|----------------|
| | £'000 | October | December | £'000 |
| | | £'000 | £'000 | |
| Corporate Services | 2,338 | (438) | (659) | 1,241 |
| Children, Schools & Families | 2,580 | (555) | (390) | 1,635 |
| Environment & Regeneration | 6,568 | (2,537) | (533) | 3,498 |
| Community & Housing | 3,815 | (2,435) | 0 | 1,380 |
| Total | 15,301 | (5,965) | (1,582) | 7,754 |

- 4.6 Where departments have not met their target or put forward options that are deemed not to be acceptable then the shortfall will be carried forward to later meetings and future years budget processes to be made good.

4.7 Service Plans

- 4.7.1 Draft Service Plans are included in Appendix 6. (To follow)

4.8 Equality Assessments

- 4.8.1 Draft Equalities Assessments are set out in Appendix 5.

5. Update to MTFS 2016-20

- 5.1 If the changes outlined in this report are agreed, the forecast gap in the MTFS over the four year period is as follows, subject to the Spending Review announcement and Local Government Finance Settlement in December.

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| Budget Gap in MTFS | 0 | 0 | 0 | 814 |

- 5.2 A more detailed MTFS is included as Appendix 2.

- 5.3 Draft Service department budget summaries based on the information in this report are attached as Appendix 7. (To follow)

6. CAPITAL PROGRAMME 2016-20: UPDATE

- 6.1 The proposed draft Capital Programme 2016-20 and an Indicative Capital Programme 2020-25 were presented to Cabinet on 19 October 2015.

- 6.2 The programme has been reviewed by scrutiny panels.

- 6.3 Monthly monitoring of the approved programme for 2015/16 has been ongoing and there will inevitably be further changes arising from slippage, reprofiling and the announcement of capital grants as part of the local government finance settlement which has yet to be announced.

- 6.4 The changes that have been made to the proposed capital programme since it was presented to Cabinet in October 2015 are set out in Appendix 4.

- 6.5 The estimated revenue implications of funding the draft capital programme are summarised in paragraph 2.5.3 and these have been incorporated into the latest draft MTFS 2016-20.

7. CONSULTATION UNDERTAKEN OR PROPOSED

- 7.1 There will be extensive consultation as the business plan process develops. This will include the Overview and Scrutiny panels and Commission, business ratepayers and all other relevant parties.

- 7.2 In accordance with statute, consultation is taking place with business ratepayers and a meeting will be arranged for early in 2016.

7.3 As previously indicated, a savings proposals consultation pack will be prepared and distributed to all councillors at the end of December 2015 that can be brought to all Scrutiny and Cabinet meetings from 7 January 2016 onwards and to Budget Council. This should be an improvement for both councillors and officers - more manageable for councillors and it will ensure that only one version of those documents is available so referring to page numbers at meetings will be easier. It will also considerably reduce printing costs and reduce the amount of printing that needs to take place immediately prior to Budget Council.

7.4 The pack will include:

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

8. TIMETABLE

8.1 In accordance with current financial reporting timetables.

9. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. LEGAL AND STATUTORY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

11. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

11.1 Draft Equalities assessments of the savings proposals are included in Appendix 5.

12. CRIME AND DISORDER IMPLICATIONS

12.1 Not applicable

13. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

13.1 Not applicable

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

- Appendix 1: New savings/income proposals 2016-20**
- Appendix 2: Proposed amendments to savings previously agreed**
- Appendix 3: MTFS Update**
- Appendix 4: Capital Programme 2016-20**
- Appendix 5: Draft Equalities Assessments**
- Appendix 6: Service Plans 2016-20 (To follow)**
- Appendix 7: Budget Summaries (To follow)**

BACKGROUND PAPERS

Budget files held in the Corporate Services department.

REPORT AUTHOR

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| DRAFT MTFS 2015-19: RE-PRICED AND ROLLED FORWARD | | | | |
|---|------------------|------------------|------------------|------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| | £000 | £000 | £000 | £000 |
| Departmental Base Budget 2015/16 | 150,913 | 150,913 | 150,913 | 150,913 |
| Inflation (Pay, Prices) | 1,624 | 4,731 | 7,837 | 10,944 |
| Autoenrolment/Nat. ins changes | 1,000 | 2,000 | 2,000 | 2,000 |
| FYE – Previous Years Savings | (15,902) | (21,334) | (22,482) | (22,482) |
| Amendments to previously agreed savings | 1,504 | 1,106 | 0 | 0 |
| Change in Net Appropriations to/(from) Reserves | (5,260) | (5,418) | (5,887) | (4,486) |
| Revenuisation | (102) | (102) | (102) | (102) |
| Taxi card/Concessionary Fares | 450 | 900 | 1,350 | 1,350 |
| Other | 1,622 | 1,692 | 1,765 | 1,841 |
| Re-Priced Departmental Budget | 135,849 | 134,488 | 135,394 | 139,978 |
| Treasury/Capital financing | 13,621 | 13,744 | 13,917 | 14,650 |
| Pensions | 4,395 | 4,592 | 4,799 | 5,015 |
| Other Corporate items | (13,289) | (13,131) | (12,659) | (14,063) |
| Levies | 632 | 632 | 632 | 632 |
| Sub-total: Corporate provisions | 5,359 | 5,837 | 6,689 | 6,234 |
| | | | | |
| BUDGET REQUIREMENT | 141,208 | 140,325 | 142,083 | 146,211 |
| | | | | |
| Funded by: | | | | |
| Revenue Support Grant | (23,161) | (16,691) | (12,256) | (10,617) |
| Business Rates (inc. Section 31 grant) | (34,432) | (35,121) | (35,823) | (36,540) |
| C. Tax Freeze Grant 2015/16 | 0 | 0 | 0 | 0 |
| PFI Grant | (4,797) | (4,797) | (4,797) | (4,797) |
| New Homes Bonus | (2,904) | (2,615) | (2,294) | (968) |
| Council Tax inc. WPCC | (77,435) | (77,821) | (78,208) | (78,598) |
| Collection Fund – (Surplus)/Deficit | 1,566 | 0 | 0 | 0 |
| TOTAL FUNDING | (141,164) | (137,044) | (133,378) | (131,519) |
| | | | | |
| GAP excluding Use of Reserves (Cumulative) | 44 | 3,281 | 8,705 | 14,692 |
| | | | | |
| Savings/Income Proposals 2016/17 | (200) | (4,057) | (7,547) | (7,547) |
| Sub-total | (156) | (776) | 1,158 | 7,145 |
| | | | | |
| Use of Reserves | 156 | 776 | (1,158) | (6,331) |
| | | | | |
| GAP including Use of Reserves (Cumulative) | 0 | 0 | 0 | 814 |

Proposed Summary Capital Programme 2016-20 and Summary Indicative Programme 2021/25

Appendix 4a

| Merton | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Corporate Services | 5,711,470 | 5,196,000 | 2,977,000 | 2,795,000 | 2,885,000 | 2,562,000 | 1,935,000 | 1,965,000 | 2,817,000 |
| Community and Housing | 2,307,650 | 1,055,000 | 280,000 | 280,000 | 630,000 | 280,000 | 280,000 | 280,000 | 280,000 |
| Children, Schools & Families | 13,943,480 | 20,297,550 | 11,189,950 | 4,805,000 | 6,650,000 | 4,658,000 | 650,000 | 755,000 | 650,000 |
| Environment & Regeneration | 19,718,800 | 13,285,300 | 10,226,300 | 4,277,000 | 4,217,000 | 4,252,000 | 4,217,000 | 4,217,000 | 4,277,000 |
| Total Merton | 41,681,400 | 39,833,850 | 24,673,250 | 12,157,000 | 14,382,000 | 11,752,000 | 7,082,000 | 7,217,000 | 8,024,000 |

| Merton | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Corporate Budgets | 982,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business Improvement | 550,000 | 175,000 | 442,000 | 190,000 | 0 | 592,000 | 175,000 | 190,000 | 442,000 |
| Total Corporate Governance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Resources | 108,200 | 0 | 0 | 0 | 825,000 | 0 | 0 | 0 | 0 |
| Total Information Technology | 1,525,000 | 2,021,000 | 785,000 | 1,230,000 | 1,060,000 | 970,000 | 760,000 | 775,000 | 1,375,000 |
| Total Facilities Management | 2,546,270 | 3,000,000 | 1,750,000 | 1,375,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Total Corporate Services | 5,711,470 | 5,196,000 | 2,977,000 | 2,795,000 | 2,885,000 | 2,562,000 | 1,935,000 | 1,965,000 | 2,817,000 |
| Community and Housing | | | | | | | | | |
| Total Adult Social Care | 43,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Merton Adult Education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Housing | | | | | | | | | |
| The Gables Mitcham | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Wilton Road | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Western Road | 875,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disabled Facilities | 1,188,900 | 755,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 |
| Other Housing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Libraries | 200,000 | 300,000 | 0 | 0 | 350,000 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------|------------------|------------------|----------------|----------------|----------------|
| Total Community and Housing | 2,307,650 | 1,055,000 | 280,000 | 280,000 | 630,000 | 280,000 | 280,000 | 280,000 | 280,000 |
| Children, Schools and Families | | | | | | | | | |
| Primary School Expansions | 2,852,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secondary School Expansions | 8,466,510 | 13,548,740 | 9,689,950 | 3,200,000 | 6,000,000 | 4,008,000 | 0 | 0 | 0 |
| SEN | 1,870,320 | 5,994,360 | 850,000 | 850,000 | 0 | 0 | 0 | 0 | 0 |
| Other | 754,450 | 754,450 | 650,000 | 755,000 | 650,000 | 650,000 | 650,000 | 755,000 | 650,000 |
| Children, Schools & Families | 13,943,480 | 20,297,550 | 11,189,950 | 4,805,000 | 6,650,000 | 4,658,000 | 650,000 | 755,000 | 650,000 |

Proposed Summary Capital Programme 2016-20 and Summary Indicative Programme 2021/25 Continued...

Appendix 4a

| | | | | | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---------------------------------------|-------------------|-------------------|-------------------|------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Environment & Regeneration | | | | | | | | | |
| Footways Planned Works | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Greenspaces | 423,000 | 250,000 | 350,000 | 385,000 | 325,000 | 325,000 | 325,000 | 325,000 | 385,000 |
| Highways General Planned Works | 419,000 | 419,000 | 422,000 | 427,000 | 427,000 | 427,000 | 427,000 | 427,000 | 427,000 |
| Highways Planned Road Works | 1,500,000 | 1,500,000 | 1,500,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| Leisure Centres | 9,300,000 | 1,300,000 | 1,800,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Other E&R | 45,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| On and Off Street Parking | 35,000 | 0 | 0 | 0 | 0 | 35,000 | 0 | 0 | 0 |
| Regeneration Partnerships | 3,072,000 | 920,000 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting | 462,000 | 290,000 | 509,000 | 290,000 | 290,000 | 290,000 | 290,000 | 290,000 | 290,000 |
| Street Scene | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Transport for London | 1,754,800 | 1,844,800 | 1,864,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Traffic and Parking Management | 802,500 | 156,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 |
| Transport and Plant | 500,000 | 5,500,000 | 500,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Safer Merton - CCTV & ASB | 300,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Waste Operations | 45,500 | 45,500 | 45,500 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Environment & Regeneration | 19,718,800 | 13,285,300 | 10,226,300 | 4,277,000 | 4,217,000 | 4,252,000 | 4,217,000 | 4,217,000 | 4,277,000 |

Movement from Current to Proposed Summary Capital Programme 2016-20 and Summary Indicative Programme 2021/25

Appendix 4b

| Merton | | | | | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|------------------------------|---------------------|------------------|--------------------|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Corporate Services | 713,000 | 2,315,000 | 220,000 | 1,295,000 | 1,125,000 | 917,000 | 500,000 | 515,000 | 1,367,000 |
| Community and Housing | (60,000) | 240,000 | (60,000) | (60,000) | 290,000 | (60,000) | (60,000) | (60,000) | (60,000) |
| Children, Schools & Families | (15,279,240) | (681,260) | (8,913,850) | 1,539,400 | (596,800) | (401,580) | (8,800) | 96,200 | (8,800) |
| Environment & Regeneration | (4,715,200) | (2,041,200) | 3,847,800 | (596,000) | (437,000) | (402,000) | (437,000) | (437,000) | (377,000) |
| Total Merton | (19,341,440) | (167,460) | (4,906,050) | 2,178,400 | 381,200 | 53,420 | (5,800) | 114,200 | 921,200 |

| Merton | | | | | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---|---------------------|------------------|--------------------|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Corporate Budgets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business Improvement | 550,000 | 175,000 | 442,000 | 190,000 | 0 | 592,000 | 175,000 | 190,000 | 442,000 |
| Total Resources | 0 | 0 | 0 | 0 | 825,000 | 0 | 0 | 0 | 0 |
| Total Information Technology | (337,000) | 140,000 | (222,000) | 655,000 | 200,000 | 200,000 | 200,000 | 200,000 | 800,000 |
| Total Facilities Management | 500,000 | 2,000,000 | 0 | 450,000 | 100,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Total Corporate Services | 713,000 | 2,315,000 | 220,000 | 1,295,000 | 1,125,000 | 917,000 | 500,000 | 515,000 | 1,367,000 |
| | | | | | | | | | |
| Community and Housing | | | | | | | | | |
| Housing | | | | | | | | | |
| Western Road | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disabled Facilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Housing | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) |
| Libraries | 0 | 300,000 | 0 | 0 | 350,000 | 0 | 0 | 0 | 0 |
| Community and Housing | (60,000) | 240,000 | (60,000) | (60,000) | 290,000 | (60,000) | (60,000) | (60,000) | (60,000) |
| | | | | | | | | | |
| Children, Schools and Families | | | | | | | | | |
| Primary School Expansions | (2,675,000) | (3,848,780) | (2,575,000) | (1,600,000) | 0 | 0 | 0 | 0 | 0 |
| Secondary School Expansions | (7,248,490) | 2,048,740 | (4,264,320) | 3,200,000 | 0 | 0 | 0 | 0 | 0 |
| SEN | (2,921,890) | 2,994,360 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | (2,433,860) | (1,875,580) | (2,074,530) | (60,600) | (596,800) | (401,580) | (8,800) | 96,200 | (8,800) |
| Children, Schools & Families | (15,279,240) | (681,260) | (8,913,850) | 1,539,400 | (596,800) | (401,580) | (8,800) | 96,200 | (8,800) |

Movement from Current to Proposed Summary Capital Programme 2016-20 and Summary Indicative Programme 2021/25 Continued..

Appendix 4b

| | | | | | | | | | | |
|---------------------------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Environment & Regeneration | | | | | | | | | | |
| Total Footways Planned Works | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Greenspaces | 0 | 0 | 0 | 35,000 | (25,000) | (25,000) | (25,000) | (25,000) | (25,000) | 35,000 |
| Highways General Planned Works | 0 | 0 | 3,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Highways Planned Road Works | 0 | 0 | 0 | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) |
| Total Leisure Centres | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other E&R | 45,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| On and Off Street Parking | 35,000 | 0 | 0 | 0 | 0 | 35,000 | 0 | 0 | 0 | 0 |
| Regeneration Partnerships | (4,864,000) | (2,080,000) | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Street Lighting | 0 | 0 | 0 | (219,000) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Street Scene | 0 | 0 | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) |
| Total Transport for London | (71,200) | 18,800 | 1,864,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Traffic and Parking Management | 120,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Transport and Plant | 0 | 0 | 0 | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) |
| Safer Merton - CCTV & ASB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Waste Operations | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Environment & Regeneration | (4,715,200) | (2,041,200) | 3,847,800 | (596,000) | (437,000) | (402,000) | (437,000) | (437,000) | (437,000) | (377,000) |

Proposed Summary Capital Programme 2016-20 and Summary Indicative Programme 2021/25

| Corporate Services | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Corporate Budgets | | | | | | | | | |
| Acquisitions Budget | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Bidding Fund | 482,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Corporate Budgets | 982,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Business Improvements | | | | | | | | | |
| Planweb/Stratus Update | 0 | 0 | 42,000 | 0 | 0 | 42,000 | 0 | 0 | 42,000 |
| M3 LP and PP | 500,000 | 0 | 0 | 0 | 0 | 500,000 | 0 | 0 | 0 |
| Map Information | 50,000 | 0 | 0 | 0 | 0 | 50,000 | 0 | 0 | 0 |
| Aligned Assets | 0 | 75,000 | 0 | 0 | 0 | 0 | 75,000 | 0 | 0 |
| Electronic Asset Management | 0 | 0 | 0 | 190,000 | 0 | 0 | 0 | 190,000 | 0 |
| Revenue & Benefits | 0 | 0 | 400,000 | 0 | 0 | 0 | 0 | 0 | 400,000 |
| Capita Housing | 0 | 100,000 | 0 | 0 | 0 | 0 | 100,000 | 0 | 0 |
| Total Business Improvement | 550,000 | 175,000 | 442,000 | 190,000 | 0 | 592,000 | 175,000 | 190,000 | 442,000 |
| Resources | | | | | | | | | |
| Replacement of Civica Icon | 0 | 0 | 0 | 0 | 125,000 | 0 | 0 | 0 | 0 |
| Improving Information Systems | 108,200 | 0 | 0 | 0 | 700,000 | 0 | 0 | 0 | 0 |
| Total Resources | 108,200 | 0 | 0 | 0 | 825,000 | 0 | 0 | 0 | 0 |
| Information Technology | | | | | | | | | |
| Planned Replacement Programme | 1,125,000 | 1,746,000 | 510,000 | 430,000 | 860,000 | 770,000 | 560,000 | 575,000 | 575,000 |
| ITSD Enhancements | 200,000 | 200,000 | 275,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Multi-Functioning Device (MFD) | 200,000 | 75,000 | 0 | 600,000 | 0 | 0 | 0 | 0 | 600,000 |
| Total Information Technology | 1,525,000 | 2,021,000 | 785,000 | 1,230,000 | 1,060,000 | 970,000 | 760,000 | 775,000 | 1,375,000 |

| Corporate Services | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Invest to Save Schemes | 1,300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Water Safety Works | 150,000 | 150,000 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asbestos Safety Works | 250,000 | 250,000 | 250,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Works - Facilities | 300,000 | 300,000 | 300,000 | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 |
| Civic Centre Passenger Lifts | 46,270 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Civic Centre Boilers | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Centre Support Equipment | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Civic Centre Staff Entrance Improve | 0 | 0 | 200,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Photovoltaics (PV) and Energy Cons | 500,000 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Civic Centre Lightning Upgrade | 0 | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 | 0 |
| Civic Centre Block Paving | 0 | 0 | 0 | 75,000 | 0 | 0 | 0 | 0 | 0 |
| Total Facilities Management | 2,546,270 | 3,000,000 | 1,750,000 | 1,375,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| TOTAL | 5,711,470 | 5,196,000 | 2,977,000 | 2,795,000 | 2,885,000 | 2,562,000 | 1,935,000 | 1,965,000 | 2,817,000 |

| Community and Housing | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Adult Social Care | | | | | | | | | |
| Telehealth | 43,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Adult Social Care | 43,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Housing | | | | | | | | | |
| 191-193 Western Road | 115,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Western Road * | 760,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disabled Facilities Grant | 1,188,900 | 755,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 |
| Small Repairs Grant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Housing | 2,063,900 | 755,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 |
| Libraries | | | | | | | | | |
| Colliers Wood Library Re-Fit | 200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| West Barnes Library Re-Fit | 0 | 200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Library Management System | 0 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Library Self Service | 0 | 0 | 0 | 0 | 350,000 | 0 | 0 | 0 | 0 |
| Total Libraries | 200,000 | 300,000 | 0 | 0 | 350,000 | 0 | 0 | 0 | 0 |
| TOTAL | 2,307,650 | 1,055,000 | 280,000 | 280,000 | 630,000 | 280,000 | 280,000 | 280,000 | 280,000 |

| Children, Schools and Families | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Primary School Expansions | | | | | | | | | |
| Dundonald expansion | 2,120,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Singlegate expansion | 732,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beecholme | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 FE School Expansion 1fe Expans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26 FE School Expansion - Temp Cla | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27 FE School Expansion - Temp Cla | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28 FE School Expansion - Temp Cla | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Primary School Expansions | 2,852,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 1 Phased Extra 4fe | 2,798,710 | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 2 Phased Extra 4fe | 70,000 | 2,948,740 | 2,681,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 3 Phased Extra 2fe | 557,800 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 5 Phased Extra 2fe | 0 | 100,000 | 2,530,000 | 3,200,000 | 0 | 0 | 0 | 0 | 0 |
| Scheme 6 Phased Extra 2fe | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 4 New School Extra 6fe | 5,040,000 | 7,000,000 | 4,478,950 | 0 | 6,000,000 | 4,008,000 | 0 | 0 | 0 |
| Total Secondary School Expansio | 8,466,510 | 13,548,740 | 9,689,950 | 3,200,000 | 6,000,000 | 4,008,000 | 0 | 0 | 0 |
| Cricket Green | 721,520 | 2,883,160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Perseid | 0 | 0 | 850,000 | 850,000 | 0 | 0 | 0 | 0 | 0 |
| Perseid - Further 28 Places Primary | 548,800 | 2,551,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secondary School Autism Unit | 600,000 | 560,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total SEN | 1,870,320 | 5,994,360 | 850,000 | 850,000 | 0 | 0 | 0 | 0 | 0 |
| Other | | | | | | | | | |
| Inflation Contingency | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Devolved Formula Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Schs Cap Maint & Accessibility | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 |
| Schools Equipment Loans | 104,450 | 104,450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Admissions IT System | 0 | 0 | 0 | 105,000 | 0 | 0 | 0 | 105,000 | 0 |
| Total Other | 754,450 | 754,450 | 650,000 | 755,000 | 650,000 | 650,000 | 650,000 | 755,000 | 650,000 |
| TOTAL | 13,943,480 | 20,297,550 | 11,189,950 | 4,805,000 | 6,650,000 | 4,658,000 | 650,000 | 755,000 | 650,000 |

| Environment and Regeneration | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Footways Planned Works | | | | | | | | | |
| Repairs to Footways | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Total Footways Planned Works | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Greenspaces | | | | | | | | | |
| Parks Investment | 276,000 | 216,000 | 322,500 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 |
| Canons Parks for People Dev HLF | 113,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pay and Display Machines | 0 | 0 | 0 | 60,000 | 0 | 0 | 0 | 0 | 60,000 |
| Parks Bins - Finance Lease | 34,000 | 34,000 | 27,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Greenspaces | 423,000 | 250,000 | 350,000 | 385,000 | 325,000 | 325,000 | 325,000 | 325,000 | 385,000 |
| Highways General Planned Works | | | | | | | | | |
| Surface Water Drainage | 69,000 | 69,000 | 72,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 |
| Highways bridges & structures | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 |
| Maintain AntiSkid and Coloured | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Total Highways General Planned Works | 419,000 | 419,000 | 422,000 | 427,000 | 427,000 | 427,000 | 427,000 | 427,000 | 427,000 |
| Highways Planned Road Works | | | | | | | | | |
| Borough Roads Maintenance | 1,500,000 | 1,500,000 | 1,500,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| Total Highways Planned Road Works | 1,500,000 | 1,500,000 | 1,500,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| Leisure Centres | | | | | | | | | |
| Leisure Centre Plant & Machine | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Morden Leisure Centre | 9,000,000 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wimbledon Park Lake De-Silting | 0 | 0 | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Leisure Centres | 9,300,000 | 1,300,000 | 1,800,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Other E&R | | | | | | | | | |
| Mortuary Provision | 45,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other E&R | 45,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| On and Off Street Parking | | | | | | | | | |
| Replacing Handheld Computers | 35,000 | 0 | 0 | 0 | 0 | 35,000 | 0 | 0 | 0 |
| Total On and Off Street Parking | 35,000 | 0 | 0 | 0 | 0 | 35,000 | 0 | 0 | 0 |

| Environment and Regeneration | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Regeneration Partnerships | | | | | | | | | |
| Industrial Estate Investment | 450,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mitcham Major schemes - TfL | 1,000,000 | 700,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Town Centre Investment | 1,037,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Morden shopping parades | 410,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Brighter Business | 55,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Morden - TfL | 120,000 | 220,000 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Regeneration Partnerships | 3,072,000 | 920,000 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting | | | | | | | | | |
| Street Lighting Replacement Pr | 462,000 | 290,000 | 509,000 | 290,000 | 290,000 | 290,000 | 290,000 | 290,000 | 290,000 |
| Total Street Lighting | 462,000 | 290,000 | 509,000 | 290,000 | 290,000 | 290,000 | 290,000 | 290,000 | 290,000 |
| Street Scene | | | | | | | | | |
| Street Tree Programme | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Total Street Scene | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Transport for London | | | | | | | | | |
| Unallocated | 1,754,800 | 1,844,800 | 1,864,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Transport for London | 1,754,800 | 1,844,800 | 1,864,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Traffic and Parking Management | | | | | | | | | |
| Traffic Schemes | 150,000 | 156,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 |
| Tackling Traffic Congestion | 532,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| £1 Coinage Chngs P&D Mach. | 120,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Traffic and Parking Management | 802,500 | 156,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 |
| Transport and Plant | | | | | | | | | |
| Replacement of Fleet Vehicles | 500,000 | 500,000 | 500,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Transportation Enhancements | 0 | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Transport and Plant | 500,000 | 5,500,000 | 500,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Safer Merton - CCTV & ASB | | | | | | | | | |
| CCTV (match funding) | 300,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Safer Merton - CCTV & ASB | 300,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Waste Operations | | | | | | | | | |
| Alley Gating Scheme - Fly Tip | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Waste Bins - Finance Lease | 5,500 | 5,500 | 5,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Waste Operations | 45,500 | 45,500 | 45,500 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| TOTAL | 19,718,800 | 13,285,300 | 10,226,300 | 4,277,000 | 4,217,000 | 4,252,000 | 4,217,000 | 4,217,000 | 4,277,000 |

Movement from Current to Proposed Detailed Capital Programme 2016-20 and Detailed Indicative Programme 2021/25

| | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Corporate Services | | | | | | | | | |
| Corporate Budgets | | | | | | | | | |
| Acquisitions Budget | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Bidding Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Corporate Budgets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Business Improvements | | | | | | | | | |
| Planweb/Stratus Update | 0 | 0 | 42,000 | 0 | 0 | 42,000 | 0 | 0 | 42,000 |
| M3 LP and PP | 500,000 | 0 | 0 | 0 | 0 | 500,000 | 0 | 0 | 0 |
| Map Information | 50,000 | 0 | 0 | 0 | 0 | 50,000 | 0 | 0 | 0 |
| Aligned Assets | 0 | 75,000 | 0 | 0 | 0 | 0 | 75,000 | 0 | 0 |
| Customer Contact Programme | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Electronic Asset Management | 0 | 0 | 0 | 190,000 | 0 | 0 | 0 | 190,000 | 0 |
| Revenue & Benefits | 0 | 0 | 400,000 | 0 | 0 | 0 | 0 | 0 | 400,000 |
| Capita Housing | 0 | 100,000 | 0 | 0 | 0 | 0 | 100,000 | 0 | 0 |
| Replacement SC System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business Improvement | 550,000 | 175,000 | 442,000 | 190,000 | 0 | 592,000 | 175,000 | 190,000 | 442,000 |
| Resources | | | | | | | | | |
| Replacement of Civica Icon | 0 | 0 | 0 | 0 | 125,000 | 0 | 0 | 0 | 0 |
| Improving Information Systems | 0 | 0 | 0 | 0 | 700,000 | 0 | 0 | 0 | 0 |
| Total Resources | 0 | 0 | 0 | 0 | 825,000 | 0 | 0 | 0 | 0 |
| Information Technology | | | | | | | | | |
| Planned Replacement Programme | (287,000) | 60,000 | (447,000) | (145,000) | 0 | 0 | 0 | 0 | 0 |
| ITSD Enhancements | (50,000) | 80,000 | 225,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Multi-Functioning Device (MFD) | 0 | 0 | 0 | 600,000 | 0 | 0 | 0 | 0 | 600,000 |
| Total Information Technology | (337,000) | 140,000 | (222,000) | 655,000 | 200,000 | 200,000 | 200,000 | 200,000 | 800,000 |

Movement from Current to Proposed Detailed Capital Programme 2016-20 and Detailed Indicative Programme 2021/25

| | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Corporate Services | | | | | | | | | |
| Facilities Management | | | | | | | | | |
| Invest to Save Schemes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Water Safety Works | 0 | 0 | 0 | (75,000) | (50,000) | (25,000) | (25,000) | (25,000) | (25,000) |
| Asbestos Safety Works | 0 | 0 | 0 | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) |
| Capital Works - Facilities | 0 | 0 | 0 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Civic Centre Passenger Lifts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Civic Centre Boilers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Centre Support Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Civic Centre Staff Entrance Improvement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Photovoltaics (PV) and Energy Conservation | 500,000 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Civic Centre Lightning Upgrade | 0 | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 | 0 |
| Civic Centre Block Paving | 0 | 0 | 0 | 75,000 | 0 | 0 | 0 | 0 | 0 |
| Total Facilities Management | 500,000 | 2,000,000 | 0 | 450,000 | 100,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| TOTAL | 713,000 | 2,315,000 | 220,000 | 1,295,000 | 1,125,000 | 917,000 | 500,000 | 515,000 | 1,367,000 |

| | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Community and Housing | | | | | | | | | |
| Adult Social Care | | | | | | | | | |
| Telehealth | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Adult Social Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Housing | | | | | | | | | |
| 191-193 Western Road | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Western Road * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disabled Facilities Grant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Small Repairs Grant | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) |
| Total Housing | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) |
| Libraries | | | | | | | | | |
| Colliers Wood Library Re-Fit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| West Barnes Library Re-Fit | 0 | 200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Library Management System | 0 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Library Self Service | 0 | 0 | 0 | 0 | 350,000 | 0 | 0 | 0 | 0 |
| Total Libraries | 0 | 300,000 | 0 | 0 | 350,000 | 0 | 0 | 0 | 0 |
| TOTAL | (60,000) | 240,000 | (60,000) | (60,000) | 290,000 | (60,000) | (60,000) | (60,000) | (60,000) |

Movement from Current to Proposed Detailed Capital Programme 2016-20 and Detailed Indicative Programme 2021/25 Continued...

Appendix 4d

| Children, Schools and Families | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Primary School Expansions | | | | | | | | | |
| Dundonald expansion | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Singlegate expansion | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beecholme | (2,575,000) | (2,075,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 FE School Expansion 1fe Expans | (100,000) | (555,000) | (2,575,000) | (1,600,000) | 0 | 0 | 0 | 0 | 0 |
| 26 FE School Expansion - Temp Cla | 0 | (618,780) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27 FE School Expansion - Temp Cla | 0 | (300,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28 FE School Expansion - Temp Cla | 0 | (300,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Primary School Expansions | (2,675,000) | (3,848,780) | (2,575,000) | (1,600,000) | 0 | 0 | 0 | 0 | 0 |
| Scheme 1 Phased Extra 4fe | (1,290) | 1,500,000 | (3,677,560) | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 2 Phased Extra 4fe | (2,780,000) | 2,948,740 | 410,880 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 3 Phased Extra 2fe | (2,362,200) | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 5 Phased Extra 2fe | (95,000) | (1,400,000) | 1,002,360 | 3,200,000 | 0 | 0 | 0 | 0 | 0 |
| Scheme 6 Phased Extra 2fe | (1,900,000) | (3,000,000) | (2,000,000) | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 4 New School Extra 6fe | (110,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Secondary School Expansio | (7,248,490) | 2,048,740 | (4,264,320) | 3,200,000 | 0 | 0 | 0 | 0 | 0 |
| Cricket Green | (1,310,690) | 1,383,160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Perseid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Perseid - Further 28 Places Primary | (1,051,200) | 1,051,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secondary School Autism Unit | (560,000) | 560,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total SEN | (2,921,890) | 2,994,360 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inflation Contingency | (2,433,860) | (1,875,580) | (2,074,530) | (165,600) | (596,800) | (401,580) | (8,800) | (8,800) | (8,800) |
| Devolved Formula Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Schools Equipment Loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Admissions IT System | 0 | 0 | 0 | 105,000 | 0 | 0 | 0 | 105,000 | 0 |
| Total Other | (2,433,860) | (1,875,580) | (2,074,530) | (60,600) | (596,800) | (401,580) | (8,800) | 96,200 | (8,800) |
| TOTAL | (15,279,240) | (681,260) | (8,913,850) | 1,539,400 | (596,800) | (401,580) | (8,800) | 96,200 | (8,800) |

| Environment and Regeneration | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Footways Planned Works | | | | | | | | | |
| Repairs to Footways | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Footways Planned Works | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Greenspaces | | | | | | | | | |
| Parks Investment | 0 | 0 | 0 | (25,000) | (25,000) | (25,000) | (25,000) | (25,000) | (25,000) |
| Canons Parks for People Dev HLF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pay and Display Machines | 0 | 0 | 0 | 60,000 | 0 | 0 | 0 | 0 | 60,000 |
| Parks Bins - Finance Lease | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Greenspaces | 0 | 0 | 0 | 35,000 | (25,000) | (25,000) | (25,000) | (25,000) | 35,000 |
| Highways General Planned Works | | | | | | | | | |
| Surface Water Drainage | 0 | 0 | 3,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Highways bridges & structures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maintain AntiSkid and Coloured | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Highways General Planned Works | 0 | 0 | 3,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Highways Planned Road Works | | | | | | | | | |
| Borough Roads Maintenance | 0 | 0 | 0 | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) |
| Total Highways Planned Road Works | 0 | 0 | 0 | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) | (250,000) |
| Leisure Centres | | | | | | | | | |
| Leisure Centre Plant & Machine | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Morden Leisure Centre | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wimbledon Park Lake De-Silting | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Leisure Centres | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other E&R | | | | | | | | | |
| Mortuary Provision | 45,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other E&R | 45,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| On and Off Street Parking | | | | | | | | | |
| Replacing Handheld Computers | 35,000 | 0 | 0 | 0 | 0 | 35,000 | 0 | 0 | 0 |
| Total On and Off Street Parking | 35,000 | 0 | 0 | 0 | 0 | 35,000 | 0 | 0 | 0 |

| Environment and Regeneration | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Regeneration Partnerships | | | | | | | | | |
| Industrial Estate Investment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mitcham Major schemes - TfL | (1,484,000) | 700,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Town Centre Investment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Morden shopping parades | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Brighter Business | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wimbledon - TfL | (3,200,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Morden - TfL | (180,000) | (2,780,000) | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Regeneration Partnerships | (4,864,000) | (2,080,000) | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Street Lighting | | | | | | | | | |
| Street Lighting Replacement Pr | 0 | 0 | 0 | (219,000) | 0 | 0 | 0 | 0 | 0 |
| Total Street Lighting | 0 | 0 | 0 | (219,000) | 0 | 0 | 0 | 0 | 0 |
| Street Scene | | | | | | | | | |
| Street Tree Programme | 0 | 0 | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) |
| Total Street Scene | 0 | 0 | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) | (40,000) |
| Transport for London | | | | | | | | | |
| Unallocated | (71,200) | 18,800 | 1,864,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Transport for London | (71,200) | 18,800 | 1,864,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Traffic and Parking Management | | | | | | | | | |
| Traffic Schemes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tackling Traffic Congestion | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| £1 Coinage Chngs P&D Mach. | 120,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Traffic & Parking Mngmnt | 120,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transport and Plant | | | | | | | | | |
| Replacement of Fleet Vehicles | 0 | 0 | 0 | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) |
| Transportation Enhancements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Transport and Plant | 0 | 0 | 0 | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) | (150,000) |
| Safer Merton - CCTV & ASB | | | | | | | | | |
| CCTV (match funding) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Safer Merton - CCTV & ASB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Waste Operations | | | | | | | | | |
| Alley Gating Scheme - Fly Tip | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Waste Bins - Finance Lease | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Waste Operations | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| TOTAL | (4,715,200) | (2,041,200) | 3,847,800 | (596,000) | (437,000) | (402,000) | (437,000) | (437,000) | (377,000) |

| Merton | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Corporate Services | 108,200 | 0 | 0 | 190,000 | (100,000) | 0 | 0 | 190,000 | (100,000) |
| Total Community and Housing | 43,750 | 475,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Children, Schools & Families | (1,637,530) | 1,800,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Environment and Regeneration | (2,592,700) | (2,061,200) | 3,864,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (4,078,280) | 213,800 | 3,864,800 | 190,000 | (100,000) | 0 | 0 | 190,000 | (100,000) |

| Schemes By Department | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Corporate Budgets | | | | | | | | | |
| Electronic Asset Management | 0 | 0 | 0 | 190,000 | (100,000) | | | 190,000 | (100,000) |
| Improving Information Systems | 108,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community and Housing | | | | | | | | | |
| Telehealth | 43,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disabled Facilities Grant | 0 | 475,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Children, Schools and Families | | | | | | | | | |
| Singlegate expansion | (200,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 1 Phased Extra 4fe | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 2 Phased Extra 4fe | 70,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 3 Phased Extra 2fe | (660,000) | 800,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Scheme 4 New School Extra 6fe | 60,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cricket Green | 721,520 | 2,883,160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Perseid - Further 28 Places Primary u | (1,649,050) | (1,883,160) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Environment and Regeneration | | | | | | | | | |
| Parks Investment | (55,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mortuary Provision | (55,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mitcham Major schemes - TfL | 116,000 | 700,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wimbledon - TfL | (3,000,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Morden - TfL | (180,000) | (2,780,000) | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unallocated | (71,200) | 18,800 | 1,864,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| £1 Coinage Changs P&D Machines | 120,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tackling Traffic Congestion | 532,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Movement Since October | (4,078,280) | 213,800 | 3,864,800 | 190,000 | (100,000) | 0 | 0 | 190,000 | (100,000) |

Cabinet

Date: 18 January 2016

Subject: Draft Business Plan 2016-20

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 2016/17 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2016-2020. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 2 March 2016 and set a Council Tax as appropriate for 2016/17.

Recommendations:

1. That Cabinet notes the financial information arising from the Provisional Settlement 2016/17 and that the financial implications will be incorporated into the draft MTFS 2016-20 and draft capital programme 2016-20.
 2. That Cabinet agrees the Council Tax Base for 2016/17 set out in paragraph 8 and Appendix 2
 3. That Cabinet notes the latest update of the draft MTFS for 2016 – 20
-

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update to Cabinet on the Business Planning process for 2016-20 and in particular on the current position relating to the revenue budget for 2016/17, and the draft MTFS 2016-20.
- 1.2 It also sets out the latest information and analysis of the Local Government Finance Settlement 2016/17 which was published on 17 December 2015 and summarises the implications for Merton's budget and MTFS.
- 1.3 In addition, the report sets out details of the Council's draft Council Tax Base calculation for 2016/17 for consideration and approval. It is a statutory requirement to set a Council Tax Base by 31 January and this is a fundamental element of the Council Tax calculation for 2016/17. The report also gives an indication of the financial impact over the period of the MTFS.

2. DETAILS

2.1 Introduction

2.1.1 The report provides a general update on all the latest information relating to the Business Planning process for 2016-20, including the Provisional Local Government Settlement 2016/17.

2.1.2 A review of assumptions in the MTFs was undertaken and reported to Cabinet on 7 December 2015. On 30 December 2015 a savings proposals consultation pack of all details previously presented to Cabinet at its meetings was sent to all Members. This can be brought to all Scrutiny and Cabinet meetings from 7 January 2016 onwards and to Budget Council. This should be an improvement for both councillors and officers - more manageable for councillors and it will ensure that only one version of those documents is available so referring to page numbers at meetings will be easier. It will also considerably reduce printing costs and reduce the amount of printing that needs to take place immediately prior to Budget Council.

The pack includes:

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

2.1.3 The total draft savings proposals agreed by Cabinet in October and December and the remaining gap on the MTFs as reported to Cabinet on 7 December 2015 is summarised in the following table:-

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|----------------------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Savings – October Cabinet | (200) | (3,256) | (2,509) | 0 |
| Savings – December Cabinet | 0 | (601) | (981) | 0 |
| Total - Savings | (200) | (3,857) | (3,490) | 0 |
| Gap remaining (cumulative) | 0 | 0 | 0 | 814 |

2.2. LOCAL GOVERNMENT FINANCE SETTLEMENT 2016/17

2.2.1 Details of the provisional Local Government Settlement were published on 17 December 2015.

2.2.2 Appendix 1 sets out the main details set out in the provisional Settlement and assesses the implications for Merton's finances as set out in the Medium Term Financial Strategy (MTFS).

2.2.3 The provisional Settlement outlined provisional core funding allocations (Settlement Funding Assessment (SFA) for local authorities for the four year period 2016-17 to 2019-20. Four year funding is an offer to local authorities subject to authorities publishing an efficiency plan. Details of what is required in the plan and the deadlines required are still to be provided. The Settlement Funding Assessment is the total of Revenue Support Grant (RSG) and Baseline Funding (BF) from Business Rates.

| | Adjusted SFA | Settlement Funding Assessment | | | | Cumulative % change in SFA from 2015-16 to 2019-20 | | | | Real terms cumulative |
|------------------------|-----------------|-------------------------------|-----------------|-----------------|-----------------|--|---------------|---------------|---------------|-----------------------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | % change |
| Merton | 64.9 | 55.5 | 48.5 | 44.6 | 40.7 | -14.5% | -25.3% | -31.3% | -37.3% | -41.8% |
| London Boroughs | 3,833.4 | 3,398.5 | 3,076.8 | 2,896.8 | 2,717.7 | -11.3% | -19.7% | -24.4% | -29.1% | -34.2% |
| England | 21,249.9 | 18,601.5 | 16,621.6 | 15,536.0 | 14,499.7 | -12.5% | -21.8% | -26.9% | -31.8% | -36.7% |

Settlement Core Funding

| | Adjusted SCF | Settlement Core Funding | | | | Cumulative % change in Settlement Core Funding from 2015-16 to 2019-20 | | | | Real terms cumulative |
|------------------------|-----------------|-------------------------|-----------------|-----------------|-----------------|--|---------------|---------------|---------------|-----------------------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | % change |
| Merton | 142.0 | 132.6 | 125.6 | 121.7 | 117.8 | -6.6% | -11.6% | -14.3% | -17.0% | -23.0% |
| London Boroughs | 6,561.8 | 6,127.0 | 5,805.3 | 5,625.3 | 5,446.2 | -6.6% | -11.5% | -14.3% | -17.0% | -22.9% |
| England | 43,281.1 | 40,632.6 | 38,652.8 | 37,567.2 | 36,527.9 | -6.1% | -10.7% | -13.2% | -15.6% | -21.6% |

Defined by DCLG as: 2015-16 CT requirement (incl. CTFG) + SFA

Core Spending Power

| | Adjusted CSP | Core Spending Power | | | | Cumulative % change in Core Spending Power from 2015-16 to 2019-20 | | | | Real terms cumulative |
|------------------------|-----------------|---------------------|-----------------|-----------------|-----------------|--|--------------|--------------|--------------|-----------------------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | % change |
| Merton | 145.8 | 141.4 | 139.2 | 140.0 | 143.2 | -3.0% | -4.5% | -3.9% | -1.8% | -8.8% |
| London Boroughs | 6,815.9 | 6,608.3 | 6,504.8 | 6,538.1 | 6,688.4 | -3.0% | -4.6% | -4.1% | -1.9% | -8.9% |
| England | 44,501.3 | 43,254.8 | 42,690.1 | 43,170.3 | 44,278.9 | -2.8% | -4.1% | -3.0% | -0.5% | -7.6% |

Defined by DCLG as: SFA + CT requirement* + NHB + BCF + Rural Services Grant

These are within the range of implications provided to Cabinet at its meeting in September 2015, following the Government's Spending Review 2015 and the Government's request that spending departments prepare savings of 25% and 40%. In the report to Cabinet on 14 September, following the Spending Review in July 2015, Members were provided with a range of potential scenarios showing the potential implications of cuts in grant of between 25% and 40% in the light of the Government's forecasts. One of those forecasts was within £3,000 of the 2016/17 figure included in the Settlement. However, given the wide range of possible outcomes, the figures in the MTFS were retained as those agreed at Council in March 2015 and the reductions in Revenue Support Grant outlined in the Provisional Settlement are therefore much harsher than currently included in the MTFS. This is demonstrated in the following table:-

| Revenue Support Grant | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|------------------------|------------------|------------------|------------------|------------------|
| Provisional Settlement | (22.589) | (14.963) | (10.071) | (5.076) |
| MTFS | (23.161) | (16.691) | (12.256) | (10.617) |
| Change/Reduction | 0.572 | 1.728 | 2.185 | 5.541 |

The Baseline Funding figures in the Settlement are derived from the 2013/14 baseline figure and updated by the September change in RPI. Merton is a top-up authority, as are the majority of other London Boroughs. This means that on top of its 30% share of the Business Rates yield, Merton receives a top-up payment to bring it up to the Baseline funding level. The top-up is also increased in line with the small business non-domestic rating multiplier each year and this was originally planned to continue until the Business Rates system is reset in 2020 but the Government have now indicated that they propose to use them to adjust for new burdens, and changes in needs assessments and changes arising from revaluation.

| | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 £m |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| Business Rates Baseline | 24.8 | 25.0 | 25.5 | 26.2 | 27.1 |
| Top-Up | 7.8 | 7.9 | 8.1 | 8.3 | 8.6 |
| Baseline Funding | 32.6 | 32.9 | 33.6 | 34.5 | 35.6 |

This can be a bit misleading when assessing the resources available to the authority because the funding for Business Rates is based on the forecast included in the Council's NNDR1 return (which is required to be submitted by 31 January 2016).

This can be seen by reference to the Council's share of Business Rates based on the NNDR1 returns over the past three years since Business Rates Retention began

| | 2013/14 £m | 2014/15 £m | 2015/16 £m |
|-------------------------------------|---------------|---------------|---------------|
| NNDR1 Share (30%) | 24.5 | 25.6 | 25.8 |
| Top-Up | 7.5 | 7.7 | 7.8 |
| Section 31 payments | 0 | 1.1 | 1.2 |
| Total Business Rates inc. in Budget | 32.0 | 34.4 | 34.8 |

Therefore, projections of the Council's share of Business Rates funding over the next four years are starting from a higher level than the Baseline Funding projections in the Provisional Settlement.

| | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 |
|---------------|------------------|------------------|------------------|------------------|------------------|
| NNDR Forecast | (34,432) | (35,121) | (35,823) | (36,540) | (37,270) |

These figures will be reviewed once the NNDR1 for 2016/17, which is due to be returned to the DCLG on 31 January, has been completed and Members will be updated in the report to Cabinet in February. The later years projections also do not take into consideration any impact of Crossrail 2 at this stage.

2.2.4 There has been a definitional change to revenue spending power compared with previous years. From 2016-17 onwards it will be known as “Core Spending Power” and assumes a Council Tax increase of 1.75% and a Social Care Tax precept increase of 2% . Further details are provided in Appendix 1.

Core Spending Power

| | Change in Spending Power 2015/16 to 2016/17 | Cumulative Change in Spending Power 2015/16 to 2019/20 |
|-------------------------|---|--|
| Merton | -3.0% | -1.8% |
| London Boroughs | -3.0% | -1.9% |
| Inner London | -3.4% | -3.2% |
| Outer London | -2.8% | -0.8% |
| GLA | 1.3% | 9.8% |
| London Boroughs | -3.0% | -1.9% |
| England | -2.8% | -0.5% |
| England (councils only) | -3.0% | -0.9% |

2.2.5 Special and specific grants

The provisional settlement provided details of three special and specific grants (included within the Core Spending Power allocations spread sheet): the proposed Improved Better Care Fund (from 2017-18 onwards); New Homes Bonus allocations, now proposed to be over four years rather than six years currently; and Rural Services Delivery Grant.

| | Proposed Improved Better Care Fund | | | | Cumulative change (£m) |
|--------|------------------------------------|---------|---------|---------|------------------------|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | |
| Merton | - | - | 1.4 | 3.1 | 4.5 |

| | New Homes Bonus | | | | Cumulative change (£m) |
|--------|-----------------|---------|---------|---------|------------------------|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | |
| Merton | 4.7 | 4.8 | 3.0 | 2.9 | 15.4 |

2.2.6 In 2015/16, New Homes Bonus was subject to a deduction in respect of LEP for which the grant was top-sliced. DCLG have advised that they won't be able to confirm whether the LEP top-slice will continue in London for 2016-17 until the New Year.

2.2.7 A summary of the key details in the Provisional Settlement and some detailed analysis of Merton's figures are set out in Appendix 1.

2.2.8 School Funding Announcement 2016/17

The School Revenue Funding Settlement: 2016 to 2017 was also published on 17th December 2015, confirming details of the Dedicated Schools Grant (DSG), Education Services Grant (ESG) and pupil premium.

| | Education DSG 2016-17 | ESG 2016-17 |
|-------------|-----------------------------|----------------|
| Merton (£m) | 157.0 | 2.4 |

The Education Services Grant has reduced from £2.594m in 2015/16 to £2.360m in 2016/17, a reduction of £0.234m (9%).

3. Social Care Funding 2016/17

3.1 It is the Administration's policy to continue to freeze council tax for the duration of the current administration. The Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care ("ASC authorities") "will be given an additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care". This additional ability to increase council tax beyond the levels already allowed is in recognition of demographic changes which are leading to growing demand for adult social care, and increased pressure on council budgets.

3.2 Final terms for this offer will be confirmed in late February 2016.

3.3 Section 151 officers will have to confirm to the Secretary of State the cash amount that the ASC precept will raise and what the budget for Adult Social Care would have been before and after the flexibility is included. There would be a note on the Council Tax bill for this and further information would need to be provided with the information supplied with the demand notice.

3.4 The figures provided will also be reflected in data returns to the Department during the year including the Council Tax requirement form, the Revenue Estimates and Revenue Outturn forms.

- 3.5 The Secretary of State will monitor the use of the additional flexibility and will take authorities actions into account when determining referendum principles each year – currently set at 2% for 2016/17.
- 3.6 Where local authorities take a decision to increase Council Tax by a further 2% in 2017/18, the confirmation by the Section 151 officer would have to confirm that the 2016/17 increase remains in the base for 2017/18.
- 3.7 Using the 2015/16 figures for Council Tax Base and Band D Council Tax as the 2016/17 figures are still to be set, the amount raised from a 2% Council Tax increase would be c. £1.535m. This equates to an increase of approximately £22 pa for a Band D Council Tax payer. If applied over the four years, the increase in council tax would equate to £90 on Band D. However the current administration is committed to keeping council tax low-
- 3.8 The Government has assumed within their settlement for local authorities that there would be an average Council Tax increase of 1.75% and that all upper tier authorities would levy the 2% precept for Adult Social Care.
- 3.9 They have also stated that they would want information from authorities who increase their Council Tax to fund Adult Social Care but do not levy the precept to determine future referendum limits – currently at 2%. This could be implied as if authorities do not levy the precept, the potential to increase Council Tax in the future could be further reduced, at a time when there would be very few options for balancing the budget left on the table.

4. Growth

- 4.1 There are no current proposals for growth.

5. GLA PRECEPT

- 5.1 On 21 December 2015, the Mayor of London published his draft revenue budget and capital spending plan for 2016-17 for consultation. This includes his draft budget proposals for the GLA (Mayor and Assembly), the Mayor's Office for Policing and Crime (MOPAC), the London Fire and Emergency Planning Authority (LFEPA), Transport for London (TfL), the London Legacy Development Corporation (LLDC) and the new Old Oak and Park Royal Development Corporation (OPDC).
- 5.2 The consultation budget proposes a reduction in the Mayor's Band D council tax precept of £19.00 (6.4 percent) from £295.00 to £276.00 in 2016-17 for council taxpayers in the 32 London boroughs.
- 5.3 The Mayor's draft budget is expected to be considered by the London Assembly on Wednesday 27 January 2016. The final draft budget is scheduled to be considered by the Assembly on Monday 22 February

following which the Mayor will confirm formally the final precept and GLA group budget for 2016-17.

6. DRAFT CAPITAL PROGRAMME

- 6.1 There will be an update to the Capital Programme 2016-20 along with the Treasury Management Strategy in February 2016.

7. GENERAL FUND BALANCES AND RESERVES

- 7.1 The General Fund balance can be seen as an authority's working balance. In considering the budget plans for the medium term, it is also necessary to give some attention to the level of this working balance. In coming to this decision a number of issues should be considered.

These include:

- (a) the retention of working balances to cushion cash flow variations and to avoid increased borrowing costs;
 - (b) the retention of sums to provide against inflation and pay awards being in excess of the assumptions made within the budget;
 - (c) the retention of sums to provide for contingent liabilities; or
 - (d) to meet unforeseen events
- 7.2 In taking a decision on the level of balances, it is important to take into consideration current and future budget pressures and recognise that in order to set a balanced budget over the next four years there is a need for significant net reductions in the budget which inevitably will mean that there is very little room for manoeuvre in determining the level of balances.
- 7.3 There has been a regular update on the use of earmarked reserves for 2015/16 reported through to Cabinet as part of the financial monitoring report.
- 7.4 Merton's reserves and balances as at 31st March 2015 and forecast for 2015/16 are summarised in the following table:-

| | Balance at 31/03 2015 | Forecast balance at 31/03/16* |
|--------------------------|--------------------------|----------------------------------|
| | £000 | £000 |
| Balances held by schools | 16,937 | 13,352 |
| General Fund balances | 15,152 | 15,152 |
| Earmarked Reserves | 35,486 | 24,501 |
| Total | 67,575 | 53,005 |

*based on Month 8 monitoring

7.4 The movement and planned use of reserves, both revenue and capital, over the MTFS period is currently being reviewed and there will be a full update to Cabinet in February.

8. COUNCIL TAX BASE, NNDR AND COLLECTION FUND

8.1 Council Tax Base

8.1.1 The Council Tax Base is a key factor which is required by levying bodies and the Council for setting the levies and Council Tax for 2016/17. The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax Base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent). This will be used to set the Council Tax at Band D for 2016/17. The Council is required to determine its Council Tax Base by 31 January 2016.

8.1.2 Regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) ensure that new local council tax support schemes, implemented under the Local Government Finance Act 2012, are fully reflected in the council tax base for all authorities.

8.1.3 The Council Tax Base Return to central Government takes into account reductions in Council Tax Base due to the Council Tax Support Scheme and also reflects the latest criteria set for discounts and exemptions. The CTB Return for October 2015 is the basis for the calculation of the Council Tax Base for 2016/17.

8.1.4 Details of how the Council Tax Base is calculated are set out in Appendix 2. A summary of the Council Tax Bases for the Merton general area and the addition for properties within the Wimbledon and Putney Commons Conservators area for 2016/17 compared to 2015/16 is set out in the following table:-

| Council Tax Base | 2015/16 | 2016/17 | Change |
|--|----------------|----------------|---------------|
| | | | % |
| Whole Area | 69,638.0 | 71,327.0 | 2.4% |
| Wimbledon & Putney Common Conservators | 10,880.0 | 11,127.2 | 2.3% |

8. SUMMARY

8.1 Following the changes discussed in this report, mainly the changes arising from the Provisional Local Government Finance Settlement, the gap in the MTFS (Appendix 3) has changed to the following:-

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|----------------------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Gap remaining (cumulative) | 0 | 0 | 0 | 5,668 |

9. **CONSULTATION UNDERTAKEN OR PROPOSED**

9.1 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. The consultation meeting with Business Ratepayers is arranged for 10 February 2016.

9.2 Feedback on scrutiny of the Business Plan proposals will be provided by the Overview and Scrutiny Commission on 28 January 2016.

10. **TIMETABLE**

10.1 The business planning timetable for 2016/17 has been reported to and agreed by Cabinet previously.

11. **FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

11.1 All relevant implications have been addressed in the report.

12. **LEGAL AND STATUTORY IMPLICATIONS**

12.1 All relevant implications have been addressed in the report.

13. **HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

13.1 Not applicable

14. **CRIME AND DISORDER IMPLICATIONS**

14.1 Not applicable

15. **RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

15.1 Not applicable

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

- Appendix 1** **Summary and Analysis of Provision LGF Settlement 2016/17 including School Funding Announcement 2016/17**
- Appendix 2** **Council Tax Base 2016/17**
- Appendix 3** **Latest Medium Term Financial Strategy 2016-20**

BACKGROUND PAPERS

Budget files held in the Corporate Services department.

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Provisional Local Government Finance Settlement 2016-17

The provisional 2016-17 Local Government Finance Settlement was announced on 17 December 2015. The Settlement outlines provisional core funding allocations (Settlement Funding Assessment – SFA) for local authorities for the four year period 2016-17 to 2019-20. Councils accepting the provisional figures for the four years will have to publish an efficiency plan

The government is proposing a new method for distributing Revenue Support Grant taking into account the relative distribution of each authority's 2015-16 RSG, Baseline Funding and Council Tax

- Overall, Settlement Funding Assessment for England will fall by 12.5% in 2016-17 (11.3% for London Boroughs), and by 31.8% by 2019-20 (29.1% for London Boroughs)
- Core funding² from government to London boroughs will have fallen by 63% in real terms between 2010- 11 and 2019-20
- There will be no Council Tax Freeze Grant in 2016-17. Funding for previous years' grants will continue.
- The council tax referendum threshold will remain at 2%, and as announced in the Spending Review, upper tier authorities will be allowed to raise a further 2% to spend on social care.
- In 2016-17, £1.5bn of New Homes Bonus will be awarded nationally. London's share is £308m (21%)
- Government is consulting on options to reform the NHB – moving from 6 to 4 year rolling scheme and sharpening the incentives (meaning a reduction to annual award) that will save £800m in 2019-20 to partly fund the “improved” Better Care Fund (BCF)
- The new BCF funding will be £105m in 2017-18 rising to £1.5bn by 2019-20
- ESG will be cut from £564m to £514m nationally (8.8%) and from £94m to £86m across London (8.8%)

Four year settlement

Unlike previous years the provisional settlement includes figures for four years (2016-17 to 2019-20). The Government presented this as an ‘offer’ to local government with the only clear proviso in the consultation being that any council accepting the offer will have to publish an efficiency plan. There are no details about what this would include or when councils will have to submit these plans, however the Government, in the consultation, has indicated that Councils should use their multi-year settlements to “strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents”. Members will be updated when further details are announced.

Spending Power

There has been a definitional change to revenue spending power compared with previous years. From 2016-17 onwards it will be known as “Core Spending Power” and is defined as the sum of:

- Settlement Funding Assessment

- Estimated Council Tax excluding Parish Precepts
- Potential additional Council Tax revenue from Adult Social Care flexibility
- Potential additional Council Tax revenue from £5 referendum principle for districts with lower quartile Band D Council Tax levels
- Proposed Improved Better Care Fund (from 2017-18 onwards)
- New Homes Bonus; and
- Rural Services Delivery Grant.

Core Spending Power for England will reduce by 2.8% in 2016-17 (from £6.8 billion to £6.6 billion), and by 0.5% (7.6% in real terms) over the four year period. It will reduce by 3.0% in 2016-17 and by 1.9% over the four (8.9% in real terms) across London boroughs.

Changes to the distribution of central resources

The main changes to local government funding in 2016-17 include:

- £1.275 billion to be held back to fund the New Homes Bonus
- £50 million to be held back for the business rates safety net; and
- Additional funding of £20 million for the most rural authorities.

There are also a number of transfers of funding into the 2016-17 settlement including:

- £307.7 million funding for the Care Act 2014, alongside existing provision for the 2014 Act
- Council Tax Freeze Grant, ensuring those councils that chose to freeze their council tax in 2015-16 continue to receive the benefit of the funding in future years
- Efficiency Support Grant for 2015-16, ensuring those councils that received it continue to benefit
- £10 million funding, combined with the existing £20.6 million of funding within the settlement, for lead local flood authorities – and £1.9 million for lead local flood authorities to act as statutory consultees in planning Sustainable Drainage Systems to also be rolled into the settlement. This funding will also be supplemented by a new section 31 grant

The settlement consultation also outlines funding additional to the settlement which includes:

- Compensation to continue in 2016-17 for the 2% cap on the small business rates multiplier announced at the 2013 and 2014 Autumn Statements, calculated on the basis of the reduction to estimated retained income, as in 2014-15, and;
- Unspecified funding for the Improvement & Development Agency (IDeA) which is still to be agreed.

New RSG distribution

The settlement includes an important change to the way Central resources will be allocated, this is to ensure that “local councils delivering similar services receive a similar percentage change in ‘settlement core funding’ for those services”. Unlike the last 3 years, when the Government ‘protected’ rolled-in grants on the funding trajectories set out in Spending Review 2010 thereby focusing larger proportionate cuts on upper and lower tier funding element, the new funding distribution method for

RSG takes into account the wider resources available to councils including Council tax (including CTFG grants), locally retained business rates and RSG, when distributing RSG. There is no proposed damping or scaling.

Settlement Funding Assessment

The Government has confirmed the local government control total (i.e. total Settlement Funding Assessment) to be £18.6 billion in 2016-17. This comprises £7.2 billion of Revenue Support Grant (RSG) and £11.4 billion of Baseline Funding (i.e. the amount the government expects to be retained locally under the business rates retention net of tariffs and top-ups).

At a national level, Settlement Funding Assessment (SFA) will reduce from £21.3 billion in 2015-16 to £18.6 billion in 2016-17 (12.5%). For the period to 2019/20 the reduction is 31.8% (36.7% real terms) For London boroughs SFA by 11.3% (from £3.8 billion to £3.4 billion) in 2016-17. This is split between an increase of £17 million or 0.8% in baseline funding and a reduction in RSG of £452 million or 24.7%. For London in the period to 2019/20 the reduction is 29.1% (real terms decrease is 34.2%)

Business rates reform

The government's intends, as outlined in the Spending Review, to reform the business rates retention system and move to 100 per cent retention by 2020. The relevant new information relating to business rates devolution from the settlement consultation is that the Government will:

- consider giving more responsibility to councils in England, and to Wales, to support older people with care needs – including people who, under the current system, would be supported through Attendance Allowance and is planning to consult in the New Year on this proposal, including on the right model of devolution and the level of flexibility that councils would need in order to effectively deliver this additional responsibility;
- seek the “earliest opportunity” to legislate on this next year;
- set up systems to involve councils, businesses and others in the process early in 2016; and
- consult on the implementation of the 100% business rates retention scheme in summer 2016, following a period of extensive engagement with councils and their representatives in the preceding months.

The business rates multiplier will increase by 0.8% (the impact of September's RPI inflation on the Small Business Rates Multiplier). All tariff and top-up payments, business rates baselines and funding baselines will therefore increase by 0.8%. The size and extent of safety net payments for 2016-17 are not yet known – these will be determined by local forecasts reported in the NNDR1 returns in January 2016. The retrospective levy payments due from tariff authorities for 2015-16 will be calculated after the current financial year using the final NNDR3 returns. The safety net threshold will remain at 7.5% meaning authorities are guaranteed 92.5% of their baseline funding. The trigger point for a safety net payment is different for each authority as it depends on the relative size of funding and business rates baselines.

Special and specific grants

The provisional settlement provided details of three special and specific grants (included within the Core Spending Power allocations spread sheet): the proposed Improved Better Care Fund (from 2017-18 onwards); New Homes Bonus allocations; and Rural Services Delivery Grant. London boroughs will receive £312 million from revenue grants in 2016-17, rising to £437 million in 2019-20.

New Homes Bonus

The Spending Review set out the overall envelope for New Homes Bonus payments over the period to 2019-20 as being £1.485 billion for 2016-17, reducing to £900 million by 2019-20. The Government has published provisional allocations for 2016-17 – the final year of the 6 year rolling New Homes Bonus (NHB) scheme.

London boroughs' share of the national total has stayed broadly the same at 21%, receiving £308 million of the £1.46 billion national total.

The Autumn Statement 2013 announced that local authorities in London would be required to pool £70 million of New Homes Bonus in 2015-16 to support of the work of London's Local Enterprise Partnership. The DCLG will advise in January 2016 as to whether the LEP top slice will continue in 2016-17.

Alongside the settlement consultation there is a separate consultation on reforms to NHB that were announced at the Spending Review. This consultation seeks views on the options for change to two aspects of the Bonus: reducing overall costs by moving from 6 years to 4 of payments and reform of the Bonus in order to better reflect local authorities' performance on housing growth (i.e. "to sharpen the incentive"). It also considers options for staying within the funding envelope in the event of a sudden surge in housing growth.

Further work will be done to understand the implications of these options

The core spending power figures include an estimate for NHB allocations in each of the years to 2019-20. For 2016-17, the funding line includes both New Homes Bonus allocations and returned funding which are the actual allocations. For 2017-18 onwards, the national totals set at the Spending Review are used and are apportioned between local authorities according to local authority shares in 2016-17. These should therefore be treated with caution.

Better Care Fund

Together with the additional council tax flexibility for adult social care, the Government is providing £1.5 billion additional funding for authorities to spend on adult social care by 2019-20, to be included in an improved Better Care Fund. Government proposes to allocate this funding through a separate grant to local government using a methodology which benefits those councils who benefit less from the additional council tax flexibility for social care. For exemplification of core spending power projections to 2020, the methodology adopted is essentially one of allocations of the improved Better Care Fund being adjusted so that where an authority could receive more from the additional council tax flexibility than its share of the national amount of the 2013 adult social care relative needs formula, its allocation is set to zero rather than a notional figure.

This affects 12 London boroughs in 2017-18, two in 2018-19 and one (Richmond-upon-Thames) in 2019-20.

The Government will invite views on the approach and there will be a separate, formal consultation on the Government's proposed distribution methodology

Independent Living Fund

The provisional settlement did not mention the Independent Living Fund. It must be concluded that the current intention is not to maintain funding for the ILF from 2016-17 onwards.

Council Tax

The provisional settlement sets out the Government's council tax referendum principles for 2016-17. Once again, the core threshold for local referendums will be at 2%. It also confirms the policy outlined in Spending Review 2015 that councils with adult social care responsibilities (upper tier authorities) will be able to increase council tax by up to 2% for each year between 2016-17 and 2019-20 to fund adult social care services⁵.

Local authorities are invited to offer their views on its operation and requested to indicate whether their authority is minded to take up the 2% flexibility (in full or in part), by 5pm on 15 January 2016. The effective threshold for local referendums for London boroughs is 4% for 2016-17. The threshold for the (51) lowest district councils will be £5 a year.

Adult social care authorities can increase their council tax by up to 2% more than the core referendum principle on the following basis:

'Spending on ASC in 2016-17 is £X higher than it would have been, where X= revenue from additional ASC council tax flexibility'.

a. S151 officers are asked to write to SoS indicating whether they intend to use additional flexibility.

b. Section 151 officers in ASC authorities to provide information demonstrating that an amount equivalent to the additional council tax has been allocated to adult social care. This must be done within 7 days of their authority setting its budget and council tax for 2016-17.

c. ASC authorities must confirm the level of their average Band D (excluding parish precepts) council tax increase for 2016-17, and the proportion of it attributable to funding for adult social care on the Council Tax Requirement form that must be returned to DCLG within 7 days of their council tax having been set.

d. The amounts allocated to adult social care in steps b and c must be reflected in Revenue Account returns sent to DCLG in April/May 2016; and in the Revenue Outturn forms which will be submitted to DCLG in May 2017.

e. The above information will be required each year that the scheme is in operation. From 2017-18 onwards, the requirement will also encompass the cumulative year-on-year revenue being allocated to adult social care as per b above

There is no Council Tax Freeze Grant in 2016-17. The Government intends to roll the 2015-16 Council Tax Freeze grant into RSG (paid only to those authorities who qualified for the scheme in 2015-16) in the same way as the grant in previous years.

School Revenue Funding Settlement: 2015 to 2016

The School Revenue Funding Settlement: 2016 to 2017 was also published on 17th December 2015, confirming details of the Dedicated Schools Grant (DSG), Education Services Grant (ESG) and pupil premium.

Education Services Grant

The overall ESG will be cut by 7.5% from £815 million in 2015-16 to £750 million in 16/17. This is "a first step towards achieving the savings announced in the spending review" of £600 million.⁶ The amount paid directly to local authorities will fall 8.8%

from £564 million in 2015-16 to £514 million in 2016-17, including an 8.5% cut from £93.6m to £85.7m in London. The remainder is paid directly to academies, which will continue to receive protection against large falls in ESG.7 Table 4 below outlines the per-pupil rates. The retained duties rate of £15 per pupil will be maintained, but general funding rates will be reduced by 11.5% across all school types.

Dedicated Schools Grant (DSG)

The DSG continues to be set out in three notional blocks: the early years block, the schools block and the high needs block. Total DSG will be £40.2 billion in 2016-17, with London receiving 18.5% (£7.4 billion).

Schools block

Per pupil units of funding will be the same as in 15/16, with a slight adjustment for former non-recoupment academies. The minimum funding guarantee will continue to be set at -1.5% per pupil before the pupil premium is applied⁸. The government will consult on proposals for a new national funding formula in the New Year.

High needs block

£92.5million of extra funding on top of the 2015/16 baseline has been provided for the high needs block, distributed using age 2-19 population projections for 2016.⁹

Early years block

Early years per child rates are the same as in 2015-16. The amount per pupil for the early years pupil premium will also remain the same.

Pupil premium

Pupil premium rates for 2016-17 will be the same as in 2015-16, with final allocations published in June 2016¹⁰

Council Tax Base 2016/17

1. INTRODUCTION

- 1.1 The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent). This will be used to set the Council Tax at Band D for 2016/17. The Council is required to determine its Council Tax Base by 31 January 2016.
- 1.2 In 2013/14 the Council Tax Base calculation was affected by the introduction of the new local council tax support scheme and technical reforms to council tax. On 30 November 2012, new regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) came into force. These regulations ensured that new local council tax support schemes, implemented under the Local Government Finance Act 2012, were fully reflected in the council tax base for all authorities.
- 1.3 At its meeting on 9 November 2015, Cabinet considered a report on the Council Tax Support Scheme which has implications for the Council Tax. At the meeting it was resolved that Cabinet:
1. agrees to the uprating changes for the 2016/17 Council Tax Support Scheme, as detailed within the report, in order to maintain low council tax charges for those on lower incomes and other vulnerable residents.
 2. recommends to Council the adoption of the new 2016/17 Council Tax Support Scheme.
- 1.4 The calculation of the Council Tax Base reflects the changes agreed by Cabinet.

2. CALCULATING THE COUNCIL TAX BASE FOR 2016/17

- 2.1 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.
- 2.2 The relevant amounts are calculated as

- number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year,
- adjusted for the number of exemptions, discounts, reductions for disability, and premiums that apply to those dwellings.

2.3 All authorities notify the DCLG of their unadjusted Council Tax Base using a CTB Form and the deadline for return was 16 October 2015 and Merton met this deadline.

2.4 The CTB form for 2016/17 includes the latest details about the Council Tax Support Scheme and the technical reforms which impacted on discounts and exemptions.

2.5 There is a separate council tax base for those properties within the area covered by Wimbledon and Putney Commons Conservators. The Conservators use this, together with the Council Tax bases from RB Kingston, and Wandsworth to calculate the levy which is charged each year.

2.6 Assumptions in the MTFS

2.6.1 Other than changes in the actual council tax rates levied, in producing a forecast of council tax yield in future years, there are two key variables to be considered:-

- the year on year change in Council Tax Base
- the council tax collection rate

2.6.2 The draft MTFS previously reported to Cabinet during the business planning process has assumed that the Council Tax Base increases 0.5% per year and that the collection rate is 97.25% in each of the years .

2.6.3 These assumptions have been applied to the latest Council Tax Base information included on the CTB return completed on 16 October 2015 to produce the Council Tax Base 2016/17.

2.7 Information from the October 2015 Council Tax Base Return

2.7.1 The Council makes two CTB returns, one for the whole area of the borough and the other for the area covered by the Wimbledon and Putney Common Conservators for which an additional levy is applied.

2.7.2 The information in the CTB returns has been used to calculate the council tax bases and these are summarised in the following table compared to 2015/16:-

| Council Tax Base | 2015/16 | 2016/17 | Change |
|--|----------------|----------------|---------------|
| | | | % |
| Whole Area | 69,638.0 | 71,327.0 | 2.4% |
| Wimbledon & Putney Common Conservators | 10,880.0 | 11,127.2 | 2.3% |

3. IMPLICATIONS FOR COUNCIL TAX YIELD 2016/17

- 3.1 Assuming that council tax charges remain as for 2015/16 the estimated income in 2016/17 compared to 2015/16 and the current assumption in the MTFs are summarised in the following table:-

| Council Tax: Whole area | 2015/16 | 2016/17 |
|-----------------------------------|-----------------|-----------------|
| Tax Base | 69,638 | 71,327 |
| Band D Council Tax | £1,102.25 | £1,102.25 |
| Estimated Yield | £76.758m | £78.619m |
| Change: 2015/16 to 2016/17 (£000) | | + £1.861m |
| Change: 2015/16 to 2016/17 (%) | | + 2.4% |

3.2 Analysis of changes in yield 2015/16 to latest 2016/17

- 3.2.1 There are a number of reasons for the change in estimated yield between 2015/16 and the latest estimate based on the CTB data.
- 3.2.2 Over this period the Council Tax Base increased by 1,689 from 69,638 to 71,327 which multiplied by the Band D Council Tax of £1,102.25 results in additional yield of £1.861m.
- 3.2.3 An exact reconciliation for the change between years is not possible because of changes in distribution of Council Tax Support and discounts and benefits, and premiums between years varies and bands. However, broadly the changes can be analysed as follows:-

a) Number of Chargeable Dwellings and Exempt Dwellings

Between years the number of properties increased by 489 from 82,589 to 83,078 and the number of exempt dwellings reduced by 89 from 860 to 771. This means that the number of chargeable dwellings increased by 578 between years. Based on a full charge, this equates to additional council tax of £0.637m.

b) Amount of Council Tax Support Reduction

In 2015/16 there was a reduction of 9,686.64 to the Council Tax Base for the local council tax support. This has reduced to 9,099.90 in 2016/17 which is a change of 586.74 and equates additional council tax of about £0.647m.

c) Changes in Discounts, Exemptions and Premiums

Overall, the level of discounts, exemptions and premiums in the 2016/17 calculation is less than that included in 2015/16 resulting in an increase of about 521 in the council tax base which increases yield by around £0.574m

d) Summary

The following puts the individual elements together to show how the potential council tax yield changes between 2015/16 and 2016/17:-

| | Approx. Change in Council Tax Base | Approx. Change in Council Tax yield £m |
|--|---|--|
| Increase in number of chargeable dwellings | 578 | 0.637 |
| Change in Council Tax Support Reductions | 587 | 0.647 |
| Change in discounts, exemptions and premiums | 521 | 0.574 |
| | | |
| Balance due to changes in distribution etc. | 3 | 4 |
| | | |
| Total | 1,689 | 1,862 |

APPENDIX 3

| DRAFT MTFS 2015-19: RE-PRICED AND ROLLED FORWARD | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
| Departmental Base Budget 2015/16 | 150,913 | 150,913 | 150,913 | 150,913 |
| Inflation (Pay, Prices) | 1,624 | 4,731 | 7,837 | 10,944 |
| Autoenrolment/Nat. ins changes | 1,458 | 2,000 | 2,000 | 2,000 |
| FYE – Previous Years Savings | (15,902) | (21,334) | (22,482) | (22,482) |
| Amendments to previously agreed savings | 1,504 | 1,106 | 0 | 0 |
| Change in Net Appropriations to/(from) | | | | |
| Reserves | (5,260) | (5,418) | (5,887) | (4,486) |
| Revenuisation | (20) | (20) | (20) | (20) |
| Taxi card/Concessionary Fares | 450 | 900 | 1,350 | 1,350 |
| Other | 1,622 | 1,692 | 1,765 | 1,841 |
| Re-Priced Departmental Budget | 136,389 | 134,570 | 135,476 | 140,060 |
| Treasury/Capital financing | 13,621 | 13,744 | 13,917 | 14,650 |
| Pensions | 4,395 | 4,592 | 4,799 | 5,015 |
| Other Corporate items | (13,289) | (13,131) | (12,659) | (14,063) |
| Levies | 632 | 632 | 632 | 632 |
| Sub-total: Corporate provisions | 5,359 | 5,837 | 6,689 | 6,234 |
| | | | | |
| BUDGET REQUIREMENT | 141,748 | 140,407 | 142,165 | 146,293 |
| | | | | |
| Funded by: | | | | |
| Revenue Support Grant | (22,589) | (14,963) | (10,071) | (5,076) |
| Business Rates (inc. Section 31 grant) | (34,432) | (35,121) | (35,823) | (36,540) |
| C. Tax Freeze Grant 2015/16 | 0 | 0 | 0 | 0 |
| PFI Grant | (4,797) | (4,797) | (4,797) | (4,797) |
| New Homes Bonus | (2,904) | (2,615) | (2,294) | (968) |
| Council Tax inc. WPC | (78,913) | (79,306) | (79,701) | (80,098) |
| Collection Fund – (Surplus)/Deficit | 1,566 | 0 | 0 | 0 |
| TOTAL FUNDING | (142,070) | (136,802) | (132,686) | (127,479) |
| | | | | |
| GAP excluding Use of Reserves (Cumulative) | (322) | 3,605 | 9,479 | 18,815 |
| Savings/Income Proposals 2016/17 | (200) | (4,057) | (7,547) | (7,547) |
| Sub-total | (522) | (452) | 1,932 | 11,268 |
| | | | | |
| Use of Reserves | 522 | 452 | (1,932) | (5,600) |
| | | | | |
| GAP including Use of Reserves (Cumulative) | 0 | 0 | 0 | 5,668 |

Committee: Overview and Scrutiny Commission

Date: 28 January 2016

Wards: All

Subject: **Scrutiny of the Business Plan 2016-2020: comments and recommendations from the overview and scrutiny panels**

Lead officer: Julia Regan, Head of Democracy Services

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

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

Recommendations:

- A That in determining its response to Cabinet on the business plan 2016-20, the Overview and Scrutiny Commission considers and takes into account the comments and recommendations made by the overview and scrutiny panels.
-

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

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

2. DETAILS

- 2.1 On 7 December 2015, Cabinet agreed to forward a draft business plan for consideration by scrutiny, including draft revenue savings proposals, draft service plans, draft equalities assessments and latest amendments to the capital programme.
- 2.2 The Overview and Scrutiny Commission has a constitutional duty to coordinate the scrutiny responses on the business plan and budget formulation. The outcome of scrutiny by the panels (described in section 3 below) is presented to Commission for this purpose.
- 2.3 The substantive report on the Business Plan 2016-2020 is contained elsewhere on this agenda for the Commission's consideration.

3. FINDINGS AND RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY PANELS

- 3.1 Appendix 1 contains comments and recommendations made by the scrutiny panels.
- 3.5 The Overview and Scrutiny Commission is recommended to consider the comments and recommendations put forward by the scrutiny panels when determining its overall scrutiny response to Cabinet on the Business Plan 2016-20.

4. ALTERNATIVE OPTIONS

- 4.1 The Constitution requires the Overview and Scrutiny Commission to consider the comments and recommendations put forward by the overview and scrutiny panels and to agree a joint overview and scrutiny response. Cabinet is then required under the terms of the Constitution to receive, consider and respond to references from overview and scrutiny.

5. CONSULTATION UNDERTAKEN OR PROPOSED

- 5.1 The Constitution contains the requirements for consulting scrutiny on the budget and business plan. There is an initial phase of scrutiny in November each year, with the second round in January/February representing the formal consultation of scrutiny on the proposed Business Plan, Budget and Capital Programme.

6. TIMETABLE

- 6.1 Round one of scrutiny of the 2016-20 Business Plan was undertaken as follows:-

- Children & Young People Overview & Scrutiny Panel: 3 November 2015
- Sustainable Communities Overview & Scrutiny Panel: 11 November 2015
- Healthier Communities & Older People Scrutiny Panel: 10 November
- Overview and Scrutiny Commission: 24 November 2015

- 6.2 Comments and recommendations from round one were reported to Cabinet on 7 December 2015.

- 6.3 Round two of scrutiny of the Business Plan was undertaken as follows:-

- Sustainable Communities Overview & Scrutiny Panel: 7 January 2016
- Children & Young People Overview & Scrutiny Panel: 13 January 2016
- Healthier Communities & Older People Scrutiny Panel: 12 January 2016
- Overview and Scrutiny Commission: 28 January 2016

- 6.4 The responses from round two will be presented to Cabinet on 15 February 2016. A meeting of full Council will then take place on 2 March 2016.

7. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 7.1 These are detailed in the substantive reports elsewhere on this agenda and in the reports considered by Cabinet on 19 October and 7 December 2015.

8. LEGAL AND STATUTORY IMPLICATIONS

- 8.1 The process for developing the budget and business plan is set out in Part 4C of the Council's Constitution. The role of the Overview and Scrutiny

Commission and panels with regard to the development of the budget and business plan is set out in Part 4E of the Constitution.

- 8.2 The legal and statutory implications relating to the Business Plan are contained in the reports elsewhere on this agenda.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 None directly relating to this report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 10.1 It is a fundamental aim of the scrutiny process to ensure that there is full and equal access to the democratic process through public involvement and engagement.

11. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 11.1 These implications are detailed in the reports elsewhere on this agenda.

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

Appendix 1: comments and recommendations made by the scrutiny panels in relation to the Business Plan 2016-20.

13. BACKGROUND PAPERS

- 13.1 Minutes of the meetings of the Overview & Scrutiny Panels in January 2016

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 28 January 2016

Scrutiny of the Business Plan 2016-2020

Sustainable Communities Overview and Scrutiny Panel: 7 January 2016

The Sustainable Communities Overview and Scrutiny Panel asked questions and made comments about individual savings proposals:

- ENV33 – “Development of emissions based charging policy for resident/business permits recognising the damage particularly from diesel engine motor vehicles”. The Panel noted that it would receive a report on air quality in the new municipal year
- ENV35 – “Efficiency measures to reduce domestic residual waste rounds by 1 crew following analysis of waste volumes and spread across the week” The Panel noted that this saving includes a financial marker and further detail will be provided to the Panel in due course.
- EN36 – “Review and removal of neighbourhood recycling centres”. A panel member expressed concern that this proposal could result in an increase in fly-tipping if re-cycling centres are removed. The Cabinet member for Environmental Cleanliness and Parking said she has received requests from within the community to remove the centres as they encourage people to leave their unwanted goods next to the centres and can become unsightly. The Head of Street Scene and Waste said the department will keep levels of fly tipping under review and look at the outcomes from Sutton who have already removed their recycling centres.
- EN11 – “Building and Development Control staff reduction deputy area team leader”. A panel member expressed concern about losing staff in the planning department given the volume of planning applications.
- A panel member expressed concern about the proposed loss of 3.5 posts in housing as set out in the service plan and asked what the implications will be. The Head of Housing Needs and Strategy said that the emphasis will be on fulfilling statutory obligations.

The Panel RESOLVED to note the budget and business plan report.

Children and Young People Overview and Scrutiny Panel: 13 January 2016

The Children and Young People Overview and Scrutiny Panel noted the additional information on the approach that had been taken to the provision of services for children, including disabled children.

The Panel asked questions about the detail of the draft capital programme 2016-20 and resolved to note the capital programme.

The Panel considered the draft savings proposal CSF2015-07 “review of CSF staffing structure beneath management level” set out on page 61 of the consultation pack and the associated equality impact assessment on page 145. The Director of Children Schools and Families explained that, because the proposal relates to 2017/18 and

2018/19, the description is high level at present. The proposal provides the financial envelope for service redesign but may be re-profiled between the two years once detailed planning work and discussion, including with schools and other partners, has taken place. Alternative proposals would be drawn up if required once the impact of service redesign had been fully assessed. Panel members requested that updates be provided to the Panel during the course of the service transformation work.

The Panel therefore RESOLVED to accept the savings proposal CSF2015-07 “review of CSF staffing structure beneath management level” in principle, subject to receiving progress reports at appropriate points setting out the proposed mechanism and predicted impact for delivery of this saving.

Panel members commented that the performance targets set out in the draft service plan for Education did not seem to be sufficiently challenging. The Assistant Director of Education undertook to review these and to provide the most up-to-date national comparative data as part of the school standards report to the Panel meeting on 10 February 2016. The Cabinet Member for Education agreed that he would be involved in this review.

The Panel RESOLVED to note the draft service plans.

Healthier Communities and Older People O&S Panel: 12 January 2016

The Panel considered the results of the consultation on adult social care savings and was addressed by speakers from Adults First, Carers Partnership Group, Merton Centre for Independent Living and South Thames Crossroads, an individual service user and a carer.

The speakers all expressed concern at the proposed savings in adult social care and gave examples of the impact that these would have on vulnerable older people and disabled service users and their carers.

Panel members asked lots of questions and expressed concern about the impact that the savings may have on the quality of life of individual service users.

The Panel RESOLVED to ask Cabinet to:

1. reconsider the overall reduction in support packages, specifically CH02 and CH29 (page 82 of consultation report on the supplementary agenda):
 - CH02–“ promoting independence – efficiencies to be found in the hospital discharge process and by enabling customers to regain and maintain independence”
 - CH29 – “older people – managing crisis (including hospital admissions to residential care) This would include a number of activities to reduce admissions to residential care placements. WE would be looking to families to continue to support people at home for longer. This would fit in with our overall approach to enable independence.”
2. Reconsider de-commissioning the South Thames Crossroads service for carers (CH60 – set out on page 80 of the consultation report on the supplementary agenda). The Panel noted that 72 carers would lose their support services.
3. Reconsider the reduction in the assessment and commissioning staffing budget, specifically savings CH04, CH20, CH58 and CH22 (on pages 78 and 79 of the supplementary agenda) that would impact on service users:

- CH04 – “reduce management costs and reduction in staffing costs – Access and Assessment. Staffing restructure to deliver efficient processes and building on planned shift of some customers to manage their own processes”
- CH20 – “staffing reductions in Assessments and Commissioning teams. Staff savings 12FTE to be deleted in 2016/17 across all service areas. Reduction in the ability to carry out assessments and reviews, social work support, safeguarding activities, DOLs responsibilities and financial assessments”
- CH58 – “Staffing reductions in Assessments and Commissioning teams. Reduction of a further 19-23 FTE posts, in addition to the 12FTE in CH20. Total FTE affected is 30-35 for 16/17”
- CH22 – “ Commissioning Employees – staff savings – 4FTE to be deleted. Reduced capacity to monitor quality within provider services, reduced capacity to monitor performance within services and a reduced capacity to proactively work to sustain and develop a local provider market”

Overview and Scrutiny Commission Work Programme 2015/16



This table sets out the Overview and Scrutiny Commission's Work Programme for 2015/16 that was agreed by the Commission at its meeting on 14 July 2015. This work programme will be considered at every meeting of the Commission to enable it to respond to issues of concern and incorporate reviews or to comment upon pre-decision items ahead of their consideration by Cabinet/Council.

The work programme table shows items on a meeting by meeting basis, identifying the issue under review, the nature of the scrutiny (pre decision, policy development, issue specific, performance monitoring, partnership related) and the intended outcomes. The last page provides information on items on the Council's Forward Plan that relate to the portfolio of the Overview and Scrutiny Commission so that these can be added to the work programme should the Commission wish to.

The Commission is asked to identify any work programme items that would be suitable for the use of an informal preparatory session (or other format) to develop lines of questioning (as recommended by the 2009 review of the scrutiny function).

The Overview and Scrutiny Commission has specific responsibilities regarding budget and financial performance scrutiny and performance monitoring which it has delegated to the financial monitoring task group – agendas and minutes are published on the Council's website.

Scrutiny Support

For further information on the work programme of the Overview and Scrutiny Commission please contact: -
Julia Regan, Head of Democracy Services, 0208 545 3864, Julia.regan@merton.gov.uk

Meeting date – 14 July 2015

| Scrutiny category | Item/Issue | How | Lead Member/ Lead Officer | Intended Outcomes |
|----------------------------------|---|--------------------------------|--|--|
| Scrutiny of crime and disorder | Borough Commander | Report and in-depth discussion | Borough Commander | Update on policing issues |
| | Stop and Search | Presentation and report | Chair of Merton Independent Stop & Search Monitoring Group | Understanding of stop and search |
| Holding the executive to account | Ensuring Council has positive impact on public health | Presentation | Kay Eilbert, Director of Public Health | To identify where scrutiny can support public health |
| Scrutiny reviews | Report of the Immunisation Scrutiny Task Group | Report | Cllr Brenda Fraser Kay Eilbert, Director of Public Health | To agree final report and recommendations |
| | Report of the Shared Services Scrutiny Task Group | Report | Cllr Peter Southgate Julia Regan | To agree final report and recommendations |
| | Analysis of Members' annual scrutiny survey 2015 | Report | Cllr Peter Southgate Julia Regan | Discuss findings and agree action plan for 2015/16 |
| | Overview and Scrutiny Commission work programme 2015/16 | Report | Cllr Peter Southgate Julia Regan | To agree work programme and task group reviews |
| | Financial monitoring task group | Minutes of meeting | Cllr Peter Southgate Julia Regan | To note minutes of meeting held on 01.07.14 |

Meeting date – 15 September 2015

| Scrutiny category | Item/Issue | How | Lead Member/ Lead Officer | Intended Outcomes |
|----------------------------------|--|--------------------|--|--|
| Holding the executive to account | Leader and Chief Executive – vision, key priorities & challenges for 2015/16 | Presentation | Leader of the Council | Holding the executive to account |
| | Customer contact programme | Report | Sophie Ellis, Assistant Director of Business Improvement | Progress report for comment |
| | Overview of enforcement | Presentation | John Hill, Head of Public Protection | To receive overview of current policy & practice, focussing on new initiatives and the impact of moving to shared regulatory service |
| Scrutiny reviews | Financial monitoring task group | Minutes of meeting | Cllr Peter Southgate Julia Regan | Financial monitoring task group |

Meeting date – 24 November 2015

| Scrutiny category | Item/Issue | How | Lead Member/ Lead Officer | Intended Outcomes |
|----------------------------------|---|--|--|---|
| Budget scrutiny | Business Plan 2016/20 - information pertaining to round one of budget scrutiny | Report | Cllr Mark Allison Caroline Holland, Director of Corporate Services | To send comments to Cabinet budget meeting 7 December |
| Policy development | Violence against women and girls | Update report | Yvette Stanley, Director of Children Schools and Families | To discuss and comment on progress |
| Holding the executive to account | Travellers unauthorised encampment protocol | Draft protocol plus information on position in neighbouring boroughs | James McGinlay, Head of Sustainable Communities | To comment on draft protocol |
| Scrutiny reviews | Financial monitoring task group | Minutes of meeting | Cllr Peter Southgate Julia Regan | To note minutes of meeting held on 05.11.15 |
| | Health & Wellbeing Board response to recommendations of the Immunisation task group | Action plan | Cllr Caroline Cooper-Marbiah Director of Public Health | To monitor implementation of task group recommendations |
| | | | | |

Meeting date – 28 January 2016 – scrutiny of the budget

| Scrutiny category | Item/Issue | How | Lead Officer | Member/Lead | Intended Outcomes |
|--------------------------------|--|--|---|--------------------|--|
| Budget scrutiny | Business Plan 2016/20 | Report – common pack for Panels and Commission | Cllr Mark Allison, Cabinet Member for Finance Caroline Holland, Director of Corporate Services | | To report to Cabinet on budget scrutiny round 2 |
| | Business Plan update - latest info from Cabinet 8 January (if any) | Report | Cllr Mark Allison, Cabinet Member for Finance Caroline Holland, Director of Corporate Services | | To report to Cabinet on budget scrutiny round 2 |
| Scrutiny of crime and disorder | Discussion of questions for the Borough Commander | Discussion | Cllr Peter Southgate Julia Regan | | Discussion to plan line of questioning for meeting on 23 March |

Meeting date – 23 March 2016

| Scrutiny category | Item/Issue | How | Lead Member/Lead Officer | Intended Outcomes |
|----------------------------------|---|--|--|--|
| | | | | |
| Scrutiny of crime and disorder | Borough Commander | Report and in-depth discussion | Borough Commander | Update on policing issues |
| | ASB Police and Crime Act | Report | John Hill, Head of Public Protection | Information on new legislation, volume of cases by type |
| | Rehabilitation Strategies | Report | Probation Service MTC Novo John Hill, Head of Public Protection | Progress report plus discussion with Probation Service and MTC Novo |
| | | | | |
| Holding the executive to account | Volunteering | Report | Simon Williams, Director of Community and Housing | Update on implementation of Merton Partnership Volunteering Strategy |
| | Funding the voluntary sector | Audit report plus discussion with CE of MVSC | Khadiru Mahdi, Chief Executive MVSC Head of Policy, Strategy & Partnerships | To review and identify whether scrutiny action is needed |
| | | | | |
| Scrutiny reviews | Financial monitoring task group | Minutes of meeting | Cllr Peter Southgate | To note minutes of meeting held on 23.02.16 |
| | Outsourced services scrutiny task group | Report | Cllr Peter Southgate | Outsourced services scrutiny task group |

Meeting date – 5 April 2016

| Scrutiny category | Item/Issue | How | Lead Officer | Member/Lead | Intended Outcomes |
|----------------------------------|--|--------|--|-------------|--|
| Budget scrutiny | Scrutiny of the departmental savings weightings | Report | Caroline Holland, Director of Corporate Services | | To review weightings as requested by Council |
| Policy review | Monitoring the Council's equalities commitments | Report | Yvette Stanley, Director, Children Schools and Families | | To comment on annual action plan update |
| Holding the executive to account | Customer contact programme | Report | Sophie Ellis, Assistant Director of Business Improvement | | Progress report for discussion & comment |
| Performance management | Overview and Scrutiny Annual Report | Report | Cllr Peter Southgate Julia Regan | | To approve and forward to Council |
| | Analysis of Members' annual scrutiny survey 2016 | Report | Cllr Peter Southgate Julia Regan | | Discuss findings and agree action plan for 2016/17 |
| | Review of arrangements for co-opted members | Report | Cllr Peter Southgate Julia Regan | | To agree future arrangements for co-opted members |
| | | | | | |
| | | | | | |

Forward plan items relating to remit of the Commission

Expansion of South London Legal Partnership

Details - As part of the joint working arrangement of LB Richmond and the LB Wandsworth, it is proposed that LB Wandsworth consider joining the South London Legal Partnership.

Decision due: 15 Feb 2016 by Cabinet

Asset Management Plan

Details - Update current Asset Management Plan 2011-2015 to include Transformation, latest MTFs, Asset Review, economic growth, regeneration and Community Right to Bid.

Decision due: 7 Mar 2016 by Cabinet