

Merton Council

Children and Young People

Overview and Scrutiny

Panel



Date: 11 January 2017

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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Children and Young People Overview and Scrutiny Panel membership

Councillors:

Dennis Pearce (Chair)
Linda Taylor OBE (Vice-Chair)
Mike Brunt
Pauline Cowper
Charlie Chirico
Edward Foley
Joan Henry
James Holmes
Jerome Neil
Marsie Skeete

Substitute Members:

Agatha Mary Akyigyina
Sally Kenny
Adam Bush
Jill West
Peter Southgate

Co-opted Representatives

Mansoor Ahmad, Representing Primary Sector
Helen Forbes, Parent Governor
Representative - Secondary and Special Sector
Colin Powell, Church of England diocese

Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that 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.

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Agenda Item 3

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY PANEL 9 NOVEMBER 2016

(7.18 pm - 9.50 pm)

PRESENT: Councillors Dennis Pearce (in the Chair), Linda Taylor OBE, Mike Brunt, Pauline Cowper, Charlie Chirico, Edward Foley, Joan Henry, James Holmes, Jerome Neil and Sally Kenny

Co-opted Members Helen Forbes

ALSO PRESENT: Councillor Caroline Cooper-Marbiah (Cabinet Member for Education), Katy Neep (Cabinet Member for Children's Services), Paul Angeli (Assistant Director Children's Social Care and Youth Inclusion), Paul Ballatt (Assistant Director Commissioning, Strategy and Performance, CSF), Yvette Stanley (Director, Children, Schools & Families Department), Keith Makin (Independent Chair of the Merton Safeguarding Children Board), Steven Wallace (Acting Borough Commander), Nuzhat Ali (Muslim Women in Morden) and Annette Wiles (Scrutiny Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Co-opted representative Simon Powell gave his apologies.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes were agreed as a true and accurate record of the meeting.

Matters arising:

- Yvette Stanley, Director of Children, Schools and Families (CSF), reported that events promoting adoption are organised regionally and will cover the Wimbledon area in rotation; and
- With reference to discussion of the Panel's task group activity for 2016 – 2017, (under Agenda Item 11), Councillor James Holmes expressed his concern that scrutiny is being eroded. It was agreed at the October meeting that the Panel will not have a standing task group for 2016/17 but instead use this capacity following the anticipated Ofsted inspection to scrutinise any resulting work programme. Councillor Holmes notified the Panel he had contacted Councillor Peter Southgate, Chair of the Overview and Scrutiny Commission, and Julia Regan, Head of Democracy Services. It was agreed that the concerns expressed will be discussed subsequent to the meeting by Councillor Holmes and Councillor Pearce, the latter in his capacity as chair of the Children and Young People Panel.

4 UPDATE REPORT: SAFEGUARDING OF CHILDREN AND YOUNG PEOPLE IN MERTON (Agenda Item 4)

Keith Makin, the independent chair of the Merton Safeguarding Children Board, provided the Panel with an introduction to its work as detailed in the annual report. Effective partnership working, good lead member representation and multi-agency quality assurance were all highlighted as strengths. The provision of training, listening to the voice of children and young people and the link with the safeguarding adults board were noted as key focuses during the year. It was also explained that the board has undertaken a self evaluation ready for Ofsted inspection. Additionally, it has conducted a serious case review and undertaken a number of task and finish groups looking at *Prevent*, Female Genital Mutilation (FGM), neglect and the performance management data set. Over the next year the three key focuses for the board will be on 'think family' approaches, supporting vulnerable adolescents and early help for families to support them in strengthening their own resilience to address problems. The Panel was asked to note that the Wood Review of local safeguarding children boards has been published but that, at this stage, it is not clear what impact there will be on arrangements going forward.

Yvette Stanley emphasised that the board's annual report (which will be inspected by Ofsted), its independent chair and membership of the board by the police, health agencies and the council are all statutory duties. Also, that the board, through its independent scrutiny of the service, is part of the overall quality assurance framework for children's services. Over the last year there has been an improvement in front line practice and a reduction in use of agency staff. Whilst FGM, radicalisation and child sexual exploitation have long been issues, the profile of these has increased and it is right to reflect on whether the response being given is correct. There has been additional investment in addressing child sexual exploitation and missing children. Also, processes for dealing with child sexual exploitation and gangs have been strengthened. Whilst the service is increasingly successful, the focus is now on continuing to refine practice to drive up quality standards. Against the background of funding reductions, the focus is on working together to make sure every penny counts.

Councillor Katy Neep, Cabinet Member for Children's Services, emphasised that the board provides the opportunity for partners to come together, to interrogate challenges and share good practice. The Cabinet Member highlighted the importance of the interface with the safeguarding adults board and the challenges for safeguarding caused by housing issues.

Acting Borough Commander, Superintendent Steven Wallace (Crime and Operations) noted that many of those in borough for whom there are safeguarding concerns aren't residents. Offender management is good and improving. As a result of investment, there are now dedicated officers addressing child sexual exploitation and the 'safer schools' police officers have been retained. It is a focus to divert young people before they access the criminal justice system as a key prevention strategy. However, reflecting the increase across London, there has been a 30% rise in missing children in the borough during this year. Knife crime in London is also a challenge which is being addressed through planned searches and education

programmes. The Borough Commander noted the toxic trio of domestic abuse, mental health issues and substance misuse; further investment is needed to address these before they become issues to be dealt with by the police.

In response to member questions, it was clarified:

- The role of the chair of the board is established in statute facilitating its independence. Additionally, this is supported by being part of a national network of safeguarding children board chairs, allowing for comparisons to be made against other services and again supporting the quality assurance process. It is also important that the board is a partnership allowing all to have a voice and for a range of opinions to be heard;
- The response to a child's request for confidentiality will depend on a variety of issues such as the individual context, the child's capacity to understand their request, whether not sharing information disclosed would be detrimental to the child etc. Merton observes the good practice of discussing with the young person when their information is going to be shared and why. Also, no practitioner will ever guarantee to a child/young person that their information will not be shared;
- Lower police funding for safeguarding children boards in London as opposed to other metropolitan areas (ie: Manchester, Merseyside, West Yorkshire and the West Midlands), is not a local police decision but determined by the Met Police. In Merton, the local authority is the key funder with the health service contributing more than the police. The ambition currently is for health funding to be more equitable with that of the local authority. The police in London also provide dedicated support for safeguarding children boards through its special command units such as Sapphire (focused on rape and serious sexual assault), CAIT and the child sexual exploitation unit;
- Knife crime is being addressed by a two strikes policy which reflects that a young person is twice making a decision to carry a knife, signalling their involvement. Merton has a formal schools programme seeking to address knife crime, has had a knife amnesty and sweeps on estates. This has seen a reduction in offences;
- Merton police will be getting body worn cameras in phase two of the rollout which is scheduled to happen early in 2017. This aims to provide better evidence (including for use in prosecutions for domestic violence) and protection for officers;
- Merton's *No More* campaign against domestic violence and disability hate crime is becoming established and has the explicit target of increased reporting. This includes cases of domestic violence against men;
- There has been a focus on training foster carers to know how to deal with children going missing and absent. This is trying to strike the correct balance of not over reporting but getting it right where there is a heightened risk for example of child sexual exploitation or involvement in crime. This includes exploring the difference between a child being absent and missing. Police involvement in such cases includes visiting the child when they are found to check they are physically alright and a referral to Jigsaw4U, a service commissioned by the council, that helps understand why a child has gone missing. Most of the young people missing in the borough are placed here from other boroughs which adds complexity to the

police task. This is being addressed by standardised packs which the police use to collate uniform information when any child goes missing;

- Given the detail contained in the board's annual report, it was agreed that it would be beneficial to provide either an executive summary or a child-friendly version to make it more accessible to all. Additionally, the members' request for more detailed information on the board's budget will be considered for next year; and
- The board's current business development manager was supported to become established in their post by being given regular access to and support from the previous post holder over a six month period.

The Panel was then addressed by Nuzhat Ali, a representative of Muslim Women in Merton. Ms Ali highlighted the group's interest in working with the council. Soft evidence was cited of the negative impact of the *Prevent* strategy on Muslim families and children showing that this is having the opposite effect to that intended; it is dividing and stigmatising rather than promoting and countering. The impact on wellbeing was noted, with children being bullied at school and families discriminated against. Outside Merton, there is evidence that *Prevent* is leading to self-harm and suicide. The strategy is seen to be putting teachers into the position of policing children based on detailed criteria that generate suspicion resulting in over reporting. The National Union of Teachers recently voted to reject the strategy's requirement on teachers to report children.

Ms Ali posed a number of questions to the Panel:

- What measures are being used to judge whether *Prevent* is successful?
- Is the number of children being reported from Merton known and the percentage of these for which reporting is appropriate?
- Are there systems in place to allow the community to feedback anonymously about its experience of the *Prevent* strategy?
- Is data available from health partners on the impact of *Prevent*?
- What are competences of providers to deliver *Prevent* training?
- Are parents and/or the Muslim community involved in developing *Prevent* training?
- Is *Prevent* training cost effective? If so, how is this evidenced?

In conclusion, Ms Ali asked that the equality impact of the programme in schools be assessed, the Muslim community be engaged in developing training materials and more be done to understand the pastoral relationship between teachers and children and how this might be affected by *Prevent*.

In response, Steve Wallace and Yvette Stanley noted that *Prevent* is as much about right and left wing extremism and that radicalisation isn't a significant issue in Merton. Schools are encouraged to take a broad approach to the prevention of extremism, including taking up consultancy support to prevent any over-reaction. *Prevent* training is nationally provided and currently, any link to bullying isn't notable through the reporting of the Children and Adolescent Mental Health Service. However, it was

agreed to follow-up the group's specific concerns in a separate meeting and to explore how the group might be able to help inform training delivery.

5 BUDGET AND BUSINESS PLAN (ROUND 1) (Agenda Item 5)

This item was introduced by Caroline Holland, Director of Corporate Services. The Medium Term Financial Strategy (MTFS) has a gap of £1.4m in 2019/20 and £16m in 2020/21. The proposed CSF Department replacement savings for 2017-18 are achievable partly through the deletion of the Commissioning, Strategy and Performance Assistant Director post and a Head of Service post. Other savings have either been brought forward into 2017-18 or moved into subsequent years. Savings are also being made to the capital programme which is anticipating funding from the Education Funding Agency for the development of the Harris Wimbledon Free School. This has been fed into the MTFS, reducing the funding gap and decreasing the level of required revenue savings.

In response to Panel member questions, it was clarified:

- Significant items of school maintenance are funded through a central government grant to local authorities (more minor items valued at up to £20K are funded by schools themselves through their own budgets). The council maintains a register of school maintenance issues which establishes priorities. Over recent years the priority has been on the school expansion programme meaning there is now a need to invest in the schools estate and over time this will become an increasing priority. Whilst the government's grant for school maintenance isn't ring fenced, there is a need to keep the level of investment under review and to potentially increase this in the future. It was noted that there are sufficient funds available to achieve the expansion of SEND provision;
- The savings process is framed over a three year period. Additionally, the CSF Department is projecting a £1.5m overspend during this financial year. This means that savings are continually subject to review to ensure they can be realised. Proposed CSF savings resulting from a new information system will come to fruition over a longer timeframe than originally envisaged. The Department has responded proactively, bringing through alternative savings resulting from changes to the Department structure;
- Savings to be realised through a reduction in staff numbers will be handled very carefully over a two year period. It will be important not to destabilise staff and cause a loss of social workers for instance. It was highlighted that many posts in the Department are proscribed and others required as a result of guidance; and
- Funds raised through solar panels on school roofs were noted as the responsibility of the Environment & Regeneration Department. Whilst these were initially subject to a very sound business case, this has been undermined by the Government's reduction in feed-in tariffs. However, these are still financially beneficial to the council given energy costs for schools.

6 RESPONSIBLE CABINET MEMBER REVIEW (Agenda Item 6)

1. Cabinet Member for Education (Councillor Cooper-Marbiah):

The Cabinet Member highlighted the following:

- Harris Wimbledon: more information about the new secondary academy will be made public shortly - officers are working on communications;
- Ofsted inspections: these have happened recently at Wimbledon Park, the Priory and Links Primary Schools. The reports are not yet available;
- School visits: these have highlighted how difficulties recruiting and retaining good teachers are linked to the provision of housing. Also the Cabinet Member has seen how schools are utilising the diverse languages spoken by pupils to boost their teaching provision; and
- National teaching award: congratulations were given to Richard Brown of Cricket Green School who has been awarded a Pearson Teaching Award for Excellence in Special Needs Education.

In response to member questions, the Cabinet Member clarified:

- Her vision for education over the mid to long term is that there are sufficient school places and a consistently high quality of education across the borough;
- A public meeting is being planned to provide more information about Harris Wimbledon. The precise timing and details are currently being discussed. Officers are continuing to work closely with all those involved in the new school and taking time to go through questions raised by stakeholders. Careful management of information into the public domain is needed given that some information has already 'leaked' into the public domain. Rather than being drawn into discussion about what of this information is or isn't correct, it has been agreed that communication should focus on this public meeting when all can be clarified; and
- Clarification will be sought about the ownership of the pavilion at Sherwood School.

2. The Cabinet Member for Children's Services (Councillor Neep):

The Cabinet Member highlighted the following:

- Voice of children and young people: the Cabinet Member expressed the desire that the Panel should hear more of the voice of children and young people as this is at the heart of all we do;
- Housing: specifically overcrowding is a significant issue for children and young people and is a priority. This is linked to the Merton Safeguarding Children Board's focus on think family; and
- The great weight debate: a resident consultation is currently happening and looking at what is causing the increase in childhood obesity which is an issue across the whole borough.

In response to member questions, the Cabinet Member clarified:

- The majority of youth provision and participation is no longer funded by the council but it has been successful in gaining alternative funds to support provision in Pollards Hill and Phipps Bridge. The focus is now on securing sustainable funding. Social landlords are being targeted. It was emphasised that whilst this activity isn't council funded, it is important provision which should be supported and endorsed;
- The aim is as near as possible to have sufficient in-house foster carers to end the use of agency foster carers. Recruitment was reported as going well and existing capacity is being used more efficiently including a reduction in the time taken between initial interest being expressed and approvals being given (with Merton comparing well nationally and to London). However, it was also highlighted that there is a need for more foster carers for children with special education needs and/or disabilities and for adolescents and that there is a group of foster carers who are close to retirement. Also, many are trained to care for looked after children aged under 8 whereas there is a growing profile of those in care in Merton who are aged 15 – 17 (unaccompanied asylum seeking children are changing the profile of those in our care);
- The Troubled Families Programme is on-going and focused on supporting families to develop their own skills and abilities to take action themselves; and
- Child Protection Plans are based on careful judgements and a signs of safety approach (a strengths based and safety focused approach to child protection). This looks at areas of concern and how these can be addressed to reduce risk. Interventions are reviewed and the impact assessed.

Members suggested looking at the issues highlighted by the Cabinet Member for Children's Services through the Panel's future work programme.

7 PERFORMANCE MONITORING (Agenda Item 7)

Councillor Brunt, the performance lead for the Panel, highlighted volumes are now included on the monitoring information. The rationale for the inclusion of each measure in the performance monitoring information is also now available to the Panel. Additional context information has been requested where there is no target measure - for example, the cohort size to illustrate the relative scale. Where measures are annual, the department has been requested to provide any information that is available within the year.

In response to member questions, it was clarified that the number of new Education, Health and Care plans issued within the 20 week target continues to be a focus. This is behind target because of the increase in demand for these plans. The council is performing relatively well, however, in transferring 'old' SEN Statements into EHC Plans (Merton's performance on this measure is currently 7th in London). Good feedback is being received from parents going through the new EHC planning process with a decline in the number of associated tribunals taking place. It was agreed that Jane McSherry, Assistant Director of Education, would provide more

information on the transfer of these plans to the Panel at the next meeting through the update report.

8 DEPARTMENT UPDATE REPORT (Agenda Item 8)

In response to member questions, it was clarified that:

- More detail on the restructuring of the CSF Department has been provided to the Department Management Team and will be shared with Panel members subsequent to the meeting. The restructure provides the opportunity to bring together CSF Department commissioning with Public Health and the Clinical Commissioning Group to provide the benefit of integrated services through single contracts in addition to achieving a financial benefit for the council.
- CSF taking over SEND travel reflects that the Environment & Regeneration Department is changing shape with increased outsourcing of service but that the commissioning of passenger transport will need to stay inside the Council. In taking over responsibility for the taxi element of this service, CSF is aiming to use tighter controls to bring down the cost; and
- Merton is doing what it can to support unaccompanied asylum seeker children that are being relocated from camps in Calais. This includes coordination for the London area.

9 WORK PROGRAMME (Agenda Item 9)

Members were informed that Councillor Neil will provide information to the next meeting on his individual review of the voice of children and young people.

Committee: Healthier Communities & Older People Overview and Scrutiny Panel

10 January 2017

Children and Young People Overview and Scrutiny Panel

11 January 2017

Sustainable Communities Overview and Scrutiny Panel

12 January 2017

Overview and Scrutiny Commission

26 January 2017

Wards: ALL

Subject: Business Plan Update 2017-2021 (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 amendments to savings previously agreed set out in the Business Plan Consultation Pack;
 2. That the Overview and Scrutiny Commission also consider the Draft Business Plan 2017-21 report received by Cabinet at its meeting on 16 January 2017;
 3. That the Panel considers the draft capital programme 2017-21 and indicative programme for 2022-26 set out in Appendix 5 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 Panel considers the proposed growth set out in the business Plan Consultation Pack and considers the options for closing the revised gap in the MTFS set out in the report to Cabinet on 12 December 2016;
 8. That the Overview and Scrutiny Commission considers the comments of the Panels on the Business Plan 2017-2021 and details provided in the consultation pack and provides a response to Cabinet when it meets on the 13 February 2017.
-

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 2017/18, including proposed amendments to savings previously agreed by Council, the draft capital programme 2017-21, the draft savings/income proposals and associated equalities analyses for 2017-21, the draft service plans, the proposed growth 2017-21 and the options for closing the revised gap in the MTFS, 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 2017-21 to Cabinet when it meets on the 13 February 2017.

2. Details - Revenue

- 2.1 The Cabinet of 12 December 2016 received a report on the business plan for 2017-21.

- 2.2 At the meeting Cabinet

RESOLVED:

That Cabinet

1. agrees the draft savings/income proposals (Appendix 2) and associated draft equalities analyses (Appendix 7) put forward by officers and refers them to the Overview and Scrutiny panels and Commission in January 2017 for consideration and comment.
 2. agrees the latest amendments to the draft Capital Programme 2017-2021 which was considered by Cabinet on 12 October 2016 and by scrutiny in November 2016. (Appendix 5)
 3. considers the proposed amendments to savings previously agreed. (Appendix 3)
 4. agrees the growth as outlined in paragraph 2.3.8 and Appendix 9 and consider the options for closing the revised gap in the MTFS as set out in Section 7 and refers them to the Overview and Scrutiny panels and Commission with more details in January 2017 for consideration and comment.
 5. agrees the Council Tax Base for 2017/18 set out in paragraph 2.5 and Appendix 1.
 6. consider the draft service plans. (Appendix 6)
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3. **Alternative Options**

- 3.1 It is a requirement that the Council sets a balanced budget. The Cabinet report on 12 December 2016 sets out the progress made towards setting a balanced budget and options on how the budget gap could be closed. This identified the current budget position that needs to be addressed between now and the next report to Cabinet on 16 January 2017 and 13 February 2017, prior to Council on 1 March 2017, agreeing the Budget and Council Tax for 2017/18 and the Business Plan 2017-21, including the MTFs and Capital Programme 2017-21.

4. **Capital Programme 2017-21**

- 4.1 Details of the draft Capital Programme 2017-21 were agreed by Cabinet on 12 December 2016 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 There is a meeting on 7 February 2017 with businesses as part of the statutory consultation with NNDR ratepayers. Any feedback from this meeting will be incorporated into the February Cabinet report.
- 5.3 As previously indicated, a savings proposals consultation pack was prepared and distributed to all councillors at the end of December 2016 with a request that it be brought to all Scrutiny and Cabinet meetings from 10 January 2017 onwards and to Budget Council. This should maintain the improvement for both councillors and officers introduced last year which made the Business Planning process more manageable for councillors and ensures 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.
- 5.4 The consultation pack includes:
- Savings proposals
 - Growth proposals
 - Equality impact assessments for proposals where appropriate
 - Service plans (these will also be printed in A3 to lay round at scrutiny meetings)
 - Budget summaries for each department
 - Council Tax and Council spending consultation results

6. Timetable

- 6.1 The timetable for the Business Plan 2017-21 including the revenue budget 2017/18, the MTFS 2017-21 and the Capital Programme for 2017-21 was agreed by Cabinet on 19 September 2016.

7. Financial, resource and property implications

- 7.1 These are set out in the Cabinet report for 12 December 2016. (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 reports to Cabinet on the 16 January 2017, and 13 February 2017.
- 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 12 December 2016: Draft Business Plan Update 2017-21 (NB: This excludes Savings, Growth, Service Plans and Equalities Assessments which are included in the Business Plan Consultation Pack)

Appendix 2 - Cabinet report 16 January 2017: Draft Business Plan 2017-21(TO FOLLOW WHEN PUBLISHED)

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.

2016/17 Budgetary Control and 2015/16 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

12 December 2016

Agenda item:

Business Plan Update 2017-2021

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

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 2017/18 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2017-2021. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 1 March 2017 and set a Council Tax as appropriate for 2017/18.

Recommendations:

1. That Cabinet considers and agrees the draft savings/income proposals (Appendix 2) and associated draft equalities analyses (Appendix 7) put forward by officers and refers them to the Overview and Scrutiny panels and Commission in January 2017 for consideration and comment.
 2. That Cabinet agrees the latest amendments to the draft Capital Programme 2017-2021 which was considered by Cabinet on 12 October 2016 and by scrutiny in November 2016.(Appendix 5)
 3. That Cabinet considers the proposed amendments to savings previously agreed. (Appendix 3)
 4. That Cabinet agree the growth as outlined in paragraph 2.3.8 and Appendix 9 and consider the options for closing the revised gap in the MTFs as set out in Section 7 and refers them to the Overview and Scrutiny panels and Commission with more details in January 2017 for consideration and comment.
 5. That Cabinet agrees the Council Tax Base for 2017/18 set out in paragraph 2.5 and Appendix 1.
 6. That Cabinet consider the draft service plans. (Appendix 6)
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update to Cabinet on the Business Planning process for 2017-21 and in particular on the progress made so far towards setting a balanced revenue budget for 2017/18 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 2016.
- 1.3 The report also provides an update on the capital programme for 2017-21 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 2017-21 and an assessment of the implications for the Medium Term Financial Strategy 2017-21.
- 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 2017.

2. DETAILS

Introduction

- 2.1 A review of assumptions in the MTFS was undertaken and reported to Cabinet on 19 September 2016. There was also a report to Cabinet on 12 October 2016 which 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 2022- 2027. The report 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 MTFS reported to Cabinet on 12 October 2016 was as follows:-

(Cumulative Budget Gap)	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
MTFS Gap before Savings	9,462	15,206	16,565	31,995
Savings identified	(9,462)	(15,206)	(15,179)	(15,380)
MTFS Gap (Cabinet October 2016)	0	0	1,386	16,615

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 2016, the current assumptions regarding pay inflation incorporated into the MTFs are based on the local government pay award for 2016/17 which has been agreed and will cover the two years from April 2016. For the lowest paid (those on spinal points 6-17) this means a pay rise of between 6.6% and 1.01% in the first year, and between 3.4% and 1.3% in the second. Those on spinal points 18-49 will receive 1% in year one and the same again the following year. The offer also includes a joint review of the NJC pay spine and term-time working for school support staff.

The provision for pay inflation has been reviewed and the following amounts are forecast to be required in the updated MTFs:-

Provision for Pay Inflation:

(Cumulative)	2017/18	2018/19	2019/20	2020/21
Pay inflation (%)	1.0%	1.0%	1.0%	1.0%
MTFS 12/10/2016 (cumulative £000)	984	1,969	2,953	3,938

2.3.2 Prices

The estimates for price inflation agreed by Council in March 2016 were reviewed and included in the September 2016 report to Cabinet. There has been a further review and the latest forecast is set out in the following table:-

	2017/18	2018/19	2019/20	2020/21
Price inflation in MTFs (%)	1.5%	1.5%	1.5%	1.5%
Revised estimate (cumulative £000)	2,200	4,400	6,599	8,799

The Consumer Prices Index (CPI) rose by 0.9% in the year to October 2016, compared with a 1.0% rise in the year to September. The main reasons for the drop in the rate were downward pressures to the prices for clothing and university tuition fees, which rose by less than they did a year ago, as well as falling prices for certain games and toys, overnight hotel stays and non-alcoholic beverages. The reduction in the rate was offset by rising prices for motor fuels, and by prices for furniture and furnishings, which fell by less than they did a year ago.

CPIH, a measure of UK consumer price inflation that includes owner occupiers' housing costs, rose by 1.2% in the year to October 2016, unchanged from September.

The RPI 12-month rate for October 2016 stood at 2.0%, unchanged from September 2016.

Outlook for inflation:

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. At its meeting ending on 2 November 2016, the MPC voted unanimously to keep the Bank Base Rate at 0.25%. It also voted unanimously to continue with the programme of sterling non-financial investment-grade corporate bond purchases totalling up to £10 billion, financed by the issuance of central bank reserves and also voted unanimously to continue with the programme of £60 billion of UK government bond purchases to take the total stock of these purchases to £435 billion, financed by the issuance of central bank reserves.

The MPC's latest projections for output, unemployment and inflation, conditioned on average market yields, are set out in the November Inflation Report. Output growth is expected to be stronger in the near term but weaker than previously anticipated in the latter part of the forecast period. The unemployment rate is projected to rise to around 5½% by the middle of 2018 and to stay at around that level throughout 2019. Largely as a result of the depreciation of sterling, CPI inflation is expected to be higher throughout the three-year forecast period than in the Committee's August projections. In the central projection, inflation rises from its current level of 1% to around 2¾% in 2018, before falling back gradually over 2019 to reach 2½% in three years' time. Inflation is judged likely to return to close to the target over the following year.

In the November Inflation Report, the MPC state that "as in the August projection, CPI inflation is projected to continue to rise over the next three months and over 2017. The contribution to inflation from petrol prices is expected to turn increasingly positive, in part reflecting rises in oil prices since January. In addition, sterling has depreciated by 21% since its peak in November 2015, which will continue to push up the prices of energy and other imported goods and services. The precise path for inflation will depend on the speed and degree to which companies pass through rising external costs to consumer prices, given domestic conditions."

The latest inflation and unemployment forecasts for the UK economy, based on a summary of independent forecasts are set out in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (November 2016)			
2016 (Quarter 4)	Lowest %	Highest %	Average %
CPI	0.6	1.9	1.3
RPI	0.6	3.0	2.2
LFS Unemployment Rate	4.7	5.4	5.0

2017 (Quarter 4)	Lowest %	Highest %	Average %
CPI	0.9	3.8	2.7
RPI	0.7	5.2	3.3
LFS Unemployment Rate	4.6	6.0	5.4

Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

Independent medium-term projections for the calendar years 2016 to 2020 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (November 2016)					
	2016	2017	2018	2019	2020
	%	%	%	%	%
CPI	0.7	2.7	2.6	2.2	2.1
RPI	1.8	3.5	3.1	3.0	3.1
LFS Unemployment Rate	5.0	5.2	5.5	5.4	5.3

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 1.5% inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand.

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Inflation exceeding 1.5%	451	457	468	472

The cash limiting strategy is not without risks but if the Government's 2% target levels of inflation were applied un-damped across the period then the budget gap would increase by c. £2.8m by 2019/20.

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

A revaluation will be undertaken using data at 31/3/2016. This will be implemented at 1st April 2017. Discussions during the current financial year have been held with the actuary

Barnett Waddingham LLP and they have undertaken the revaluation and we are awaiting the outcome of this to assess the impact on the budget for 2017/18 and further into the MTFS.

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 2016/17 £000
Freedom Passes	9,298
Taxicards	103
Total	9,401
Uplift in MTFS	450
Provision in MTFS for 2017/18	9,851

Initial indications are that the charge to Merton for 2017/18 will be within the provision but this provision will be reviewed and reported when the figures are finalised.

2.3.7 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 2017-21:-

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Revenuisation	2,100	2,100	2,100	2,100

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

2.3.8 **Budgetary Control 2016/17 and need for growth**

The revenue budgetary control information below summarises the corporate position using the latest available information as at 31 October 2016 as shown in a separate

report on the agenda for this meeting. As at 31 October 2016, there is a forecast overspend for the Council of £5.740m.

The main causes of the overspend are:-

- Adult Social Care
- Waste
- Children's Services

Officers have been reviewing these budgets as part of the monthly monitoring procedures and it is clear that they will have an ongoing impact going forward and it will therefore be necessary to build some growth (Appendix 9) into the MTFS 2017-21.

The MTFS reported to Cabinet in October 2016 does not include any provision for growth from 2017/18 to 2020//21 and future years. In terms of addressing issues which have been identified as pressures that need to be addressed in 2017/18 the following budget growth is proposed:-

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Adult Social Care	9,345	252	(2,891)	0*
Waste and Regeneration **	1,582	222	(115)	0
Children's Services	1,000	500	500	500
Total	11,927	974	(2,506)	500
Cumulative total	11,927	12,901	10,395	10,895

* Subject to the Improved Better Care Funding remaining as stated

** to be confirmed

2.3.9 Capital Financing Costs

Revenue Implications of Current Capital Programme

As previously reported the Capital Programme has been reviewed and revised and a draft programme for 2017-2021 was approved by Cabinet on 12 October 2016, along with an indicative programme for 2022-26.

Section 6 of this report sets out details of progress made towards preparing the draft capital programme 2017-21.

The estimated capital financing costs based on the latest draft programme, which includes the best estimate of new schemes commencing in 2020/21, the effect of estimated government grant funding, estimated funding from the Education Funding Agency (EFA) and slippage/reprofiling based on 2015/16 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:-

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Capital Programme (including slippage)	39,410	34,807	16,668	8,534
Revenue Implications	12,543	11,146	12,427	12,723

2.4 Forecast of Resources and Provisional Local Government Finance Settlement

2.4.1 Background

In recent years at the end of November to mid-December, the Department of Communities and Local Government (DCLG) has notified local authorities of their Provisional Local Government Finance Settlement. This has included the amounts of funding allocated to each local authority in terms of Revenue Support Grant, share of Business Rates and other major allocations of grant. 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 which is set out in Autumn Statements/Spending Reviews published some weeks previously. However, this process is likely to change as the Government has invited local authorities to apply for a four year funding settlement as discussed below.

2.4.2 Multi-Year Funding Forecasts

As previously reported, when the Department for Communities and Local Government published the provisional local government finance settlement for English authorities in December 2015, the consultation document also described the offer of a four year funding settlement to any council that wished to take it up, alongside indicative allocations for each year of the Spending Review period, subject to authorities publishing an efficiency plan.

2.4.3 Cabinet on 19 September 2016, considered and agreed a draft Efficiency Plan and requested officers to submit a final version to the DCLG by the deadline of 14 October 2016 in order to qualify for the four year funding offer. This was completed within the deadline and the Efficiency Plan can be viewed [here](#). The funding has now been confirmed.

2.4.4 Autumn Statement 2016

The Chancellor of the Exchequer published his first Autumn Statement on 23 November 2016. This provides details of Government Department Expenditure Limits (DELs) from which the Provisional Local Government Finance Settlement follows in mid-late December 2016. Officers are currently reviewing the potential impact on the Finance Settlement. There is a summary of the key points included as Appendix 8.

2.4.5 Funding Forecasts for 2017/18 to 2020/21

Forecasting resources for 2017/18 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, although accepting the four year funding offer has provided certainty over the level of RSG up to 2019/20. However, RSG is a reducing part of local government funding and will disappear when local authorities are given responsibility for 100% of Business Rates by the end of this Parliament (May 2020). Responsibilities currently funded by RSG and other grants will be expected to be met by business rates.

At the 2015 Autumn Statement the Government committed to piloting approaches to 100% business rates retention in London, Manchester and Liverpool from 1 April 2017. To ensure that an increase in the “local share” of business rates is fiscally neutral at the point of change, the Government and pilot areas are exploring:

- ending entitlement to certain grants and other funding streams
- devolving additional responsibilities to pilot areas and
- adjusting existing business rate tariffs and top ups.

NB Latest estimated impact on Merton’s top-up shows an increase of c.£395k in 2017/18 over 2016/17.

The Government intends to use the pilots to test mechanisms for full rollout of the 100% retention scheme. Changes to responsibilities between central government, local authorities and their preceptors (e.g. in London, the GLA) will impact on the level of business rates share that each one receives.

Share of Business Rates Yield

Currently, the yield from Business Rates is shared 50% Central Government (Central Share), and the Local Share is 30% to Merton and 20% to the GLA. The GLA have advised us that following the Government’s decision to introduce a London pilot scheme in 2017-18 - to aid preparation for the move to local authorities retaining 100% of business rates raised locally (expected by 2020-21) - the GLA’s share of local business rates will increase, with the increase being offset by a reduction in the Government’s central share of retained business rates. The GLA’s percentage share from 1 April 2017 will be confirmed in the provisional local government finance settlement but it is expected to be 37% reflecting the inclusion of the GLA’s Revenue Support Grant allocation and TfL capital grant within its retained business rates share. The central share payable to the Government would therefore fall from 50% to 33%.

For the reasons discussed above, assessing the implications for Merton’s funding at this stage, before the Provisional Finance Settlement is announced, is difficult.

2.4.6 Improved Better Care Fund

The Spending Review 2015 announced the introduction of the improved Better Care Fund worth £105 million in 2017/18, £800 million in 2018/19 and £1.5 billion in 2019/20.

In last year's Settlement Merton's allocations were £1.408m in 2018/19 and £3.061m in 2019/20, which are being used to reduce the level of growth in Adult Social Care in future years. Any changes to Merton's allocation or potential additional responsibilities will be reported as and when announced.

2.4.7 Public Health

In the Autumn Statement 2015, the Chancellor of the Exchequer confirmed that LAs' funding for public health would be reduced by an average of 3.9 per cent in real terms per annum until 2020. This equates to a reduction in cash terms of 9.6 per cent over the same period. The Autumn Statement also confirmed that a central government grant, ring-fenced for use on public health functions, would continue for at least two more years. From a 2015/16 baseline of £3.461 billion (which includes the full year equivalent of the budget for children aged 0-5 and the effect of the in-year saving of £200 million) there will be a reduction in the total grant of 2.2 per cent in 2016/17 and a further reduction of 2.5 per cent in 2017/18.

Merton's allocation announced in the Public Health Ring-Fenced Grant Determination 2016/17 (SI No 31/2719) was £10.998m for 2016/17, with an indicative allocation of £10.727m in 2017/18

2.4.8 Education Services Grant

In the Spending Review 2015, the Government announced a national reduction in Education Services Grant (ESG) and that the General Funding Rate will be abolished completely from 2017/18. Merton's ESG reduced by £0.234m from £2.594m in 2015/16 to £2.360m in 2016/17.

Merton's General Funding allocation in 2016/17 was £1.948m. The general funding rate will not be replaced by an alternative – the intention from DfE seems to be to rely on LAs new ability to top-slice DSG for central functions to cover the funding gap, which for Merton is already fully allocated, and could therefore impact on the General Fund if alternatives cannot be found.

There will be an update in future reports when further details are known.

2.5 **Council Tax Base**

- 2.5.1 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 2017/18. 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 2017/18. The Council is required to determine its Council Tax Base by 31 January 2017.

- 2.5.2 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.
- 2.5.3 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 2016 is the basis for the calculation of the Council Tax Base for 2017/18.
- 2.5.4 Details of how the Council Tax Base is calculated are set out in Appendix 1. 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 2017/18 compared to 2016/17 is set out in the following table:-

Council Tax Base	2016/17	2017/18	Change
			%
Whole Area	71,327.0	72,442.3	1.56%
Wimbledon & Putney Common Conservators	11,127.2	11,131.2	0.04%

2.6 **Proposed Amendments to Previously Agreed Savings**

- 2.6.1 Cabinet on 12 October 2016 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 2017-21.
- 2.6.2 There are some further requests for changes to existing savings as follows:-
- Environment and Regeneration propose to defer and replace saving EV08 on Waste Disposal deferring the £250k saving from 2017/18 to 2019/20
 - Environment and Regeneration propose to replace and defer savings within Development and Building Control

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

SUMMARY (cumulative)	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	0	0	0	0	0
Children, Schools & Families	(60)	27	(201)	0	(234)*
Environment & Regeneration	574	(324)	(250)	0	0
Community & Housing	27	0	0	0	27**
Total	541	(297)	(451)	0	(207)
Net Cumulative total	541	244	(207)	(207)	(207)

* The net increase in savings will be applied against the CSF target set..

** The net shortfall in savings will be added to C&H Savings Target set.

2.6.3 Details of the proposed amendments to previously agreed savings are provided in Appendix 3.

3. **FEEDBACK FROM THE OVERVIEW AND SCRUTINY PROCESS IN NOVEMBER 2016**

3.1 The information available on the Business Planning process reported to Cabinet on 12 October 2016 was reviewed by the Overview and Scrutiny Panels and Commission in November 2016.

3.2 Feedback is included in a separate report to Cabinet on the agenda.

4. **SAVINGS PROPOSALS 2017-21 AND SERVICE PLANNING**

Controllable budgets and Savings Targets for 2017-21

4.1 Cabinet on 19 September 2016 agreed savings targets to be identified by service departments over the period 2017-21 as follows:-

SERVICE DEPARTMENT'S SAVINGS TARGETS FOR 2017-2021 BUSINESS PLANNING PROCESS	Total £000	Balance in amendments to existing savings £000	Total Savings Required £000
Corporate Services	586	0	586
Children, Schools & Families	912	(234)	678
Environment & Regeneration	1,659	0	1,659
Community & Housing	312	27	339
Total Savings/Income Proposals	3,469	(207)	3,262

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 2017.
- 4.4 The proposals submitted by each department are summarised in the following table and set out in detail in Appendix 2.

SUMMARY (cumulative)	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	0	0	586	0	586
Children, Schools & Families	0	0	228	0	228
Environment & Regeneration	0	0	913	0	913
Community & Housing	0	0	339	0	339
Total	0	0	2,066	0	2,066
Net Cumulative total	0	0	2,066	2,066	

4.5 Summary of progress to date

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

	Targets £'000	Proposals £'000	Balance £'000
Corporate Services	586	(586)	0
Children, Schools & Families	678	(228)	450
Environment & Regeneration	1,659	(913)	746
Community & Housing	339	(339)	0
Total	3,262	2,066	1,196

- 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.

4.8 Equality Assessments

- 4.8.1 Draft Equalities Assessments where applicable are included in Appendix 7.

4.9 Use of Reserves in 2016/17 and 2017/18

- 4.9.1 The application of revenue reserves in 2016/17 to address any level of overspend will have an ongoing impact on the MTFS going forward. If the actual level of overspend is at

the level currently forecast it is possible that the Savings Mitigation Fund of £1.3m will be used and the budgeted increase in the Reserve for Use for Future Years Budgets of £2.4m will not take place. The reduction in the anticipated level of the Reserve for Use for Future Years Budgets will have an adverse impact on the budget gap.

5. UPDATE TO MTFS 2017-21

- 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 impact of the Autumn Statement announcement on 23 November 2016 and Provisional Local Government Finance Settlement in December.

	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Budget Gap in MTFS	1,616	14,325	15,107	21,450

- 5.2 A more detailed MTFS is included as Appendix 4.
- 5.3 Draft Service department budget summaries based on the information in this report will be included in the pack available for scrutiny.

6. CAPITAL PROGRAMME 2017-21: UPDATE

- 6.1 The proposed draft Capital Programme 2017-21 and an Indicative Capital Programme 2021-27 were presented to Cabinet on 12 October 2016.
- 6.2 The programme has been reviewed by scrutiny panels.
- 6.3 Monthly monitoring of the approved programme for 2016/17 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 2016 are set out in Appendix 5.
- 6.5 The estimated revenue implications of funding the draft capital programme are summarised in paragraph 2.3.9 and these have been incorporated into the latest draft MTFS 2017-21.

7. BUDGET STRATEGY

7.1 For the first time in several years the council has a budget gap in the next financial year. The council has a statutory duty to set a balanced budget.

7.2 The table below shows the budget position after growth

	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000
GAP AFTER NEW SAVINGS (cumulative)	9,875	14,325	15,107	21,450
Appropriation to/from Balancing the Budget Reserve	(8,259)	0	0	0
Gap to be met from Savings and Income	1,616	14,325	15,107	21,450

7.3 The MTFS assumes 2% ASC Council Tax flexibility and 1.75% Council Tax increase in 2019/20, and 2020/21 in line with the Government's assumptions. There are no changes in Council Tax assumed for 2017/18 and 2018/19 in the above figures in line with the commitments of the Administration to freeze council tax.

7.4 The above figures also assume that the level of Better Care Funding included continues at the same level as for 2016/17. i.e. £5.5m. However, Merton CCG have indicated that the Council should plan on the basis of a maximum CCG transfer of the mandatory contribution towards social care funding into the BCF of £3.4m in 2017/18. This will be subject to review and maybe increased if the Council raises Council Tax using the ASC Council Tax flexibility criteria.

7.5 The table below shows the budget position assuming the maximum CCG transfer of the mandatory contribution of £3.4m and therefore a reduction of £2.1m in the level of BCF funding from 2016/17 funding levels.

	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000
GAP AFTER NEW SAVINGS (cumulative)	9,875	14,325	15,107	21,450
Appropriation to/from Balancing the Budget Reserve	(8,259)	0	0	0
Gap to be met from Savings and Income	1,616	14,325	15,107	21,450
Reduction in Better Care Funding	2,100	2,100	0	0
Gap to be met from Savings and Income	3,716	16,425	15,107	21,450

7.6 There are limited options for dealing with this:-

7.6.1 Raising the Council tax

The maximum increase without a referendum has not been announced. Last year it was 1.99% for a general rise and a precept of 2% specifically for adult social care.

- a) If the 2% ASC precept was to be taken in 2017/18, based upon a 97.25% collection rate this would yield the following amounts.

2017/18	2018/19	2019/20	2020/21
£'000	£'000	£'000	£'000
1,597	1,605	1,613	1,621

The budget gap assuming 2% ASC precept in 2017/18 but not in 2018/19, and assuming no loss of Better Care Funding, would be as set out in the following table:-

	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000
Gap to be met from Savings and Income	1,616	14,325	15,107	21,450
Less:				
2% ASC Council Tax Precept in 2017/18	(1,597)	(1,605)	(1,613)	(1,621)
Gap to be met from Savings and Income	19	12,720	13,494	19,829

- b) If the 2% ASC precept was also to be taken in 2018/19, based upon a 97.25% collection rate this would yield the following amounts.

2017/18	2018/19	2019/20	2020/21
£'000	£'000	£'000	£'000
1,597	3,210	3,226	3,242

The budget gap assuming 2% ASC precept in 2017/18 and 2018/19 and assuming no loss of Better Care Funding would be as set out in the following table:-

	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000
Gap to be met from Savings and Income	1,616	14,325	15,107	21,450
Less:				
2% ASC CT Precept in 2017/18 & 2018/19	(1,597)	(3,210)	(3,226)	(3,242)
Gap to be met from Savings and Income	19	11,115	11,881	18,208

- c) If the council tax were raised by 3.99% including the 2% ASC flexibility in 2017/18, but no increase in 2018/19, this would generate the following amounts.

2017/18	2018/19	2019/20	2020/21
£'000	£'000	£'000	£'000
3,186	3,202	3,218	3,234

Assuming no loss of Better Care Funding as the ASC Council Tax flexibility has been used, the gap would be as follows:-

	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000
Gap to be met from Savings and Income	1,616	14,325	15,107	21,450
Less:				
3.99% increase in 2017/18 only	(3,186)	(3,202)	(3,218)	(3,234)
Gap to be met from Savings and Income	(1,570)	11,123	11,889	18,216

- d) If the council tax were raised by 3.99% including the 2% ASC flexibility in both 2017/18 and 2018/19, this would generate the following amounts.

2017/18	2018/19	2019/20	2020/21
£'000	£'000	£'000	£'000
3,186	6,404	6,436	6,468

This would leave the following gaps:-

	17/18	18/19	19/20	20/21
	£'000	£'000	£'000	£'000
Gap to be met from Savings and Income	1,616	14,325	15,107	21,450
Less:				
3.99% increase in 2017/18 and 2018/19	(3,186)	(6,404)	(6,436)	(6,468)
Revised Gap	(1,570)	7,921	8,671	14,982
Appropriations to/from Balancing the Budget Reserve	1,570	(1,570)	0	0
Gap to be met from Savings and Income	0	6,351	8,671	14,982

7.6.2 Making spending reductions in 2017/18

If the same weighted controllable budgets were used as are normally the following pattern of savings would be required.

	Weighted Controllable budget	Saving £000
Corporate Services	20.8%	773
CSF	15.5%	576
ES	30.9%	1,148
CH	32.8%	1,219
	100.0%	3,716

If CSF and C&H are excluded from taking additional savings , the savings required by CS and E&R based on controllable budgets would be:-

	Weighted Controllable budget	Saving £000
Corporate Services	40.2%	1,494
ES	59.8%	2,222
		3,716

7.6.3 Use of GF Balances and Un-earmarking earmarked reserves. This is not recommended as it does not produce any long term improvement in the Council's financial position and would reduce the ability to carry out cost reduction projects in the future.

8. **CONSULTATION UNDERTAKEN OR PROPOSED**

- 8.1 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.
- 8.2 The Council launched a consultation with residents on council tax and council spending on 9 September 2016. Residents had until 4 November 2016 to respond and the outcome will be taken into consideration when the decisions are to be made with respect to the council tax and MTFS for 2017-21 as part of the Business Planning Process.

The outcomes from the consultation are detailed elsewhere on the agenda.

- 8.3 However, as part of the response, the CCG have indicated that there would be a reduction in funding of approximately £2m if there was not an increase in Council Tax.
- 8.4 In accordance with statute, consultation is taking place with business ratepayers and a meeting will be arranged for early in 2017.
- 8.5 As previously indicated, a savings proposals consultation pack will be prepared and distributed to all councillors at the end of December 2016 that can be brought to all Scrutiny and Cabinet meetings from 10 January 2017 onwards and to Budget Council. As it was last year, 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 keep printing costs down and reduce the amount of printing that needs to take place immediately prior to Budget Council.
- 8.6 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)

9. **TIMETABLE**

- 9.1 In accordance with current financial reporting timetables.

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

- 10.1 All relevant implications have been addressed in the report.

11. LEGAL AND STATUTORY IMPLICATIONS

11.1 All relevant implications have been addressed in the report.

12. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

12.1 Draft Equalities assessments of the savings proposals are included in Appendix 7.

13. CRIME AND DISORDER IMPLICATIONS

13.1 Not applicable

14. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

14.1 Not applicable

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

Appendix 1: Council Tax Base 2017/18

Appendix 4: MTFS Update

Appendix 5: Capital Programme 2017-21

Appendix 8: Autumn Statement 2016 – Summary of key Points

NOW INCLUDED IN CONSULTATION PACK

Appendix 2: New savings/income proposals 2017-21

Appendix 3: Proposed amendments to savings previously agreed

Appendix 6: Service Plans 2017-21

Appendix 7: Equalities Assessments

Appendix 9: Growth proposals

BACKGROUND PAPERS

Budget files held in the Corporate Services department.

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APPENDIX 1**Council Tax Base 2017/18****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).
- 1.2 Since 2013/14 the Council Tax Base calculation has been 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 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.
- 1.3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.
- 1.4 The relevant amounts are calculated as
 - number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year,
 - adjusted for the number of discounts, and reductions for disability, that apply to those Dwellings
- 1.5 All authorities notify the DCLG of their unadjusted Council Tax Base using a CTB Form using valuation list information as at 12 September 2016. The deadline for return was 14 October 2016 and Merton met this deadline.
- 1.6 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.
- 1.7 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. ASSUMPTIONS IN THE MTFS

- 2.1 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

2.2 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.

2.3 These assumptions have been applied to the latest Council Tax Base information included on the CTB return completed on 14 October 2016 to produce the Council Tax Base 2017/18.

2.4 Information from the October 2016 Council Tax Base Return

2.4.1 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.

2.4.2 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 2016/17:-

Council Tax Base	2016/17	2017/18	Change
			%
Whole Area	71,327.0	72,442.3	1.56%
Wimbledon & Putney Common Conservators	11,127.2	11,131.2	0.04%

3. **IMPLICATIONS FOR COUNCIL TAX YIELD 2017/18**

3.1 Assuming that council tax charges remain as for 2016/17 the estimated income in 2017/18 compared to 2016/17 and the current assumption in the MTFS are summarised in the following table:-

Council Tax: Whole area	2016/17	2016/17
Tax Base	71,327.0	72,442.3
Band D Council Tax	£1,102.25	£1,102.25
Estimated Yield	£78.620m	£79.850m
Change: 2016/17 to 2017/18 (£000)		+ £1.230m
Change: 2016/17 to 2017/18 (%)		+ 1.6%

3.2 Analysis of changes in yield 2016/17 to latest 2017/18

3.2.1 There are a number of reasons for the change in estimated yield between 2016/17 and the latest estimate based on the CTB data.

3.2.2 Over this period the Council Tax Base increased by 1,115.3 from 71,327 to 72,442.3 which multiplied by the Band D Council Tax of £1,102.25 results in additional yield of £1.230m.

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) No Change in collection rate from 97.25%

There has been no change in the estimated collection rate of 97.25% between 2016/17 and 2017/18.

b) Number of Chargeable Dwellings and Exempt Dwellings

Between years the number of properties increased by 659 from 83,078 to 83,737 and the number of exempt dwellings increased by 8 from 771 to 779. This means that the number of chargeable dwellings increased by 651 between years. Based on a full charge, this equates to additional council tax of £0.667m.

c) Amount of Council Tax Support Reduction

In 2016/17 there was a reduction of 9,099.9 to the Council Tax Base for the local council tax support. This has reduced to 8,639.2 in 2017/18 which is a change of 460.7 and equates additional council tax of about £0.472m.

d) Changes in Discounts, Exemptions and Premiums

Overall, the level of discounts, exemptions and premiums in the 2017/18 calculation is less than that included in 2016/17 resulting in an increase of about 52 in the council tax base which increases yield by around £0.090m

e) 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	651	0.667
Change in Council Tax Support Reductions	461	0.472
Change in discounts, exemptions, premiums and distribution	3	0.090
Total	1,115	1,229

3.10 Council Tax Yield 2017/18

3.10.1 Assuming no change in Council Tax for 2017/18 the estimated Council Tax yield for 2017/18 is:-

Council Tax: Whole area	Tax Base	Band D 2016/17	Council Tax Yield 2017/18	Council Tax Yield 2016/17
Merton	71,327.0	£1,102.25	£79.850m	£78.620m
WPCC	11,127.2	£26.97	£0.300m	£0.300m
GLA	71,327.0	£276.00	£19.994m	£19.686m

The amounts collected for the GLA and WPCC are paid over to each of them as precepts.

3.10.2 The MTFs reported to Cabinet on 12 October 2016 assumed an annual collection rate of 97.25% and year on year increases in Council Tax Base of 0.5%. The potential change in Council Tax yield on that included in the MTFs based on the new Council Tax Base is as follows:-

MTFS Council Tax Yield: EXISTING CT BASE	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Council Tax - 16/17 CT Base, No change in precept	79,013	79,408	79,805	80,204
Council Tax - Adult Social Care up to 2% flexibility	-	-	1,596	3,198
Council Tax Change (1.75%)	-	-	1,397	2,807
Council Tax income	79,013	79,408	82,798	86,209
Council Tax Yield: NEW CT BASE	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Council Tax - New CT Base, No change in precept	79,850	80,249	80,650	81,053
Council Tax - Adult Social Care up to 2% flexibility	-	-	1,613	3,234
Council Tax Change (1.75%)	-	-	1,411	2,830
Council Tax income	79,850	80,249	83,674	87,117

CHANGE IN YIELD	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Council Tax - New CT Base, No change in precept	837	841	845	849
Council Tax - Adult Social Care up to 2% flexibility	-	-	17	36
Council Tax Change (1.75%)	-	-	15	23
Council Tax income	837	841	876	908

DRAFT MTFS 2017-21:				
	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Departmental Base Budget 2016/17	139,982	139,982	139,982	139,982
Inflation (Pay, Prices)	3,184	6,368	9,553	12,737
Autoenrolment/Nat. ins changes	857	1,172	1,172	1,172
FYE – Previous Years Savings	(9,429)	(15,173)	(15,173)	(15,173)
Amendments to previously agreed savings	541	244	(207)	(207)
Change in Net Appropriations to/(from) Reserves	(1,158)	(2,278)	(2,013)	(1,871)
Taxi card/Concessionary Fares	450	901	1,351	1,801
Change in depreciation/Impairment (Contra Other Corporate items)	4,681	4,681	4,681	4,681
Growth	11,927	12,901	10,395	10,895
Other	71	144	220	301
Re-Priced Departmental Budget	151,106	148,943	149,960	154,317
Treasury/Capital financing	12,543	11,146	12,427	12,723
Pensions	4,592	4,799	5,015	5,015
Other Corporate items	(17,851)	(17,504)	(17,856)	(17,856)
Levies	628	628	628	628
Sub-total: Corporate provisions	(88)	(931)	214	510
Sub-total: Repriced Departmental Budget + Corporate Provisions	151,018	148,012	150,174	154,827
Savings/Income Proposals 2017/18	0	0	(2,066)	(2,066)
Sub-total	151,018	148,012	148,108	152,761
Appropriation to/from departmental reserves	(843)	277	12	(130)
Appropriation to/from Balancing the Budget Reserve	(8,259)	0	0	0
BUDGET REQUIREMENT	141,916	148,288	148,121	152,632
Funded by:				
Revenue Support Grant	(15,520)	(10,071)	(5,076)	0
Business Rates (inc. Section 31 grant)	(34,847)	(35,553)	(36,295)	(36,952)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(4,763)	(2,993)	(2,871)	(2,000)
Council Tax inc. WPCC	(80,150)	(80,549)	(83,974)	(87,432)
Collection Fund – (Surplus)/Deficit	(224)	0	0	0
TOTAL FUNDING	(140,300)	(133,963)	(133,014)	(131,181)
GAP including Use of Reserves (Cumulative)	1,616	14,325	15,107	21,450
Potential Loss of Better Care Funding	2,100	2,100		

CAPITAL STRATEGY 2017/21

1 Introduction

1.1 Merton's Capital Strategy for 2017-21 has been aligned and integrated with the Business Plan for the period 2017-21. The Business Plan sets out how the Authority's objectives have been shaped by Merton Partnership in the Community Plan. The Community Plan sets out the overall vision and strategic direction of Merton which are embodied into five strategic themes:-

- Children's Trusts;
- Health and Wellbeing Board;
- Safer and Stronger Communities;
- Sustainable Communities and Transport;
- Corporate Capacity

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

1.3 The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2017/21 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

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

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

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

2 Planning Infrastructure

2.1 Business Plan 2017-2021

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

2.2 Target Operating Models (TOMs)

- 2.2.1 TOMs, or Target Operating Models are a series of strategy documents that set out how the organisation will respond to and manage change over the coming months and years. TOMs have been produced for Service Areas or Departments throughout the Council.
- 2.2.2 A TOM is a statement of how an organisation will deliver its services within a certain structure as a future point in time, TOMs are living documents and will change as the organisation develops. There are a number of elements to a TOM, for Merton these are – Customer Segments, Channels, Services, Organisation, Processes, Information, Technology, Physical Location and People
- 2.2.3 Developing a TOM is about planning and preparing for change and improvement in a given service. Delivering contexts change and opportunities for improvement are always available, so taking the time to prepare/refresh a TOM allows those within a service to consider its many facets and dependencies and determine how these will change over the coming years. Having an ambitious vision for what the future looks like for the service (which is what a TOM provides), ensures that improvement activity will be more disciplined and controlled and therefore more likely to succeed.

2.3 Service Plans

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

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

3 Accounting Definitions and Practices

- 3.1 The council's approach to Capital Accounting follows the Code of Practice on Local Authority Accounting, which itself is based on the International Financial Reporting Standards (IFRS) and guidance issued by CIPFA and professional accounting networks.
- 3.2 As in previous years, there has been continual review of the Capital Programme to ensure that expenditure meets the strict definition and to identify any items which would be more appropriate to be charged to revenue. This has not resulted in any major changes to the future programme.
- 3.3 The de-minimis of capital expenditure for the authority is set at £10,000 per project. This applies to all schemes within our capital programme, however in exceptional circumstances thresholds below this may be considered where specific items of expenditure are below this de-minimis level but meet proper accounting definitions of capital expenditure.
- 3.4 Individual schools may choose to adopt the above de-minimis limit or use the limit of £2,000 as mentioned in some Department for Education and HMRC guidance for various types of school.

4 Corporate and strategic capital expenditure appraisal planning and control

4.1 Capital Programme Board

- 4.1.1 Merton's Capital Strategy is coordinated by the Capital Programme Board. The board, which is effectively a sub-group of the Corporate Management Team (CMT). The composition of the Board and its Terms of Reference were reviewed in 2015/16. The revisions are designed to make the board more strategic and improve communication flows throughout the organisation. The Board now comprises the Directors of Corporate and Environmental Services with selected Level 2 managers from each service department.

4.1.2 The Terms of Reference of the Board are:

- Lead on the development and maintenance of the capital investment strategy and ensure it is consistent with the Council's strategic objectives, TOMs and service plans.
- Ensure that the capital investment strategy informs and is informed by the asset management plan.
- Ensure there is a transparent and clearly communicated process for allocation of capital funds with clear and well documented criteria and decision making process.
- Monitor progress of capital funded schemes and any other critical schemes as determined by CMT. Receive joint reports from Finance/departmental staff on progress against deliverables, milestones and budget forecasts.
- In conjunction with other governing bodies, consider/approve business cases that involve capital investment.
- Monitor issues arising as a result of changes in accounting treatment of capital expenditure and ensure the organisation responds accordingly.
- Assess capital schemes in the context of the Medium Term Financial Strategy to ensure they are affordable in revenue terms.
- Receive reports from the Property Management and Review Manager relating to capital funds coming from the disposal of property, in collaboration with the Property and Asset Management Board.
- Receive benefits reports from Programme/Project Managers when capital projects/programmes are closed. Monitor key benefits to ensure they are realised for large capital schemes.

4.1.3 The role of the Board is to:

- Set framework and guidelines for capital bids;
- Draft the capital programme for consideration by CMT and Cabinet;
- Review capital bids and prioritise in accordance with the Council's strategic objectives;
- Identify and allocate capital funds;
- Monitor progress of capital programmes/projects and key variances between plans and performance;

- Monitor budgets of capital programmes/projects against forecasts;
- Monitor benefits and ensure they are realised. Monitor capital receipts
- Develop and share good practice

4.1.4 The Board will be accountable to the Corporate Management Team who will receive reports and escalated matters from the Board on a regular basis. CMT will set the strategy and direction, the Capital Programme Board will operationalise this and escalate concerns and ideas. The Board will refer to, and take advice from, the Procurement Board on any proposals and/or decisions that have a procurement dimension. The Board will work closely with the Property and Asset Management Board on any property/asset related proposals.

4.1.5 The Board will make agendas and minutes available to the other Governance Boards within 5 working days of the meeting.

4.1.6 During the budget process the Director of Corporate Services recommends to cabinet an initial view as to how the Capital Programme should be funded. However, this recommendation will be informed by the Capital Programme Board's consideration of the capital receipts available and the forecast of future property disposals and the final funding during the closure of accounts will depend on the precise financial position. At this stage it is intended to utilise internal borrowing, capital grant, direct revenue financing, capital receipts and earmarked reserves. Any capital loans given out by the authority will be funded from capital receipts as the repayments will be received as capital receipts. It will be reported to Members as and when it is proposed to use external borrowing.

4.1.7 The council has had a robust policy for many years of reviewing its property holding and disposing of surplus property, detailed in the Asset Management Plan (AMP) which also includes policy and procedures for land and property acquisition. All capital receipts are pooled, unless earmarked by cabinet, and are used either to finance further capital investment or for the payment of premiums on repayment of higher interest loans.

4.2 Capital Programme Approval and Amendment

4.2.1 The Capital Programme is approved by Council each year. Any change which substantially alters the programme (and therefore the Prudential Indicators) requires full council approval. Rules for changes to the Capital Programme are detailed in the Council's Constitution Financial Regulations and Financial Procedures and the key points are summarised here.

4.2.2 For virements which do not substantially alter the programme the below approval limits apply:

- Virements up to £5k can be signed off by the budget manager, the Chief Financial Officer (CFO) is informed of these changes as part of the monthly financial monitoring
- Virements £5k up to £100k must be approved by the Chief Officer of the area or areas affected along with the Chief Financial Officer, typically this will be as part of the monthly financial monitoring report to CMT however approval can be sought from these officers at any time if necessary
- Virements £100k and upwards go to Cabinet
- Any virement which diverts resources from a scheme not started, resulting in a delay to that scheme, will be reported to Cabinet

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

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

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

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

Approval thresholds are being reviewed as part of the review of processes for the implementation of the new Financial Information System.

4.3 Capital Monitoring

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

4.3.2 November monitoring information feeds into the Authority's Medium Term Financial Strategy (MTFS) and is used to assess the revenue impact over the period of the strategy with minor amendments in the later months. November monitoring is also used to measure the accuracy of year end projections.

- 4.3.3 Councillors receive regular monitoring reports on the overall position of capital expenditure in relation to the budget. They also receive separate progress reports on key spend areas.

4.4 Risk Management

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

5 Revenue budget implications of capital investment

5.1 Revenue cost or savings

- 5.1.1 The draft capital strategy recognises that the prudential framework provides the council with flexibility, subject to the constraints of the council's revenue budget. This flexible ability to borrow, either from internal cash resources or by external borrowing, coupled with the revised treatment of finance leases with effect from 1 April 2010, means that prudential borrowing is used for the acquisition of equipment, where it is prudent, affordable and sustainable. In 2012/13, 2013/14, 2014/15, 2015/16 and 2016/17, it was possible to borrow from internal cash resources rather than external borrowing and it is forecast that this will continue to be the case alongside the use of capital receipts within the current planning period (up to 2020/21). This will be kept under review as part of general Treasury Management.
- 5.1.2 The revenue effects of the capital programme are from capital financing charges and from additional revenue costs such as annual maintenance charges. The capital financing charges are made up of interest payable on loans to finance the expenditure and of principal repayments on those loans. The principal repayments commence in the year after the expenditure is incurred and are calculated by the application of the statutory Minimum Revenue Provision. The interest commences immediately the expenditure is incurred. The revenue effects of the capital programme are fully taken account of in the MTFS, with appropriate adjustments for slippage, timing of capital payments and the use of internal investment funds.

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

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
MRP	6,713	5,537	6,775	7,137
Interest	6,437	6,173	6,173	6,103
Capital financing costs	13,150	11,709	12,948	13,240
Investment Income	(607)	(564)	(521)	(517)
Net	12,543	11,146	12,427	12,723

6 Capital resources 2017-21

6.1 Variety of sources

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

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

6.2 Annual Minimum Revenue Provision (MRP) Statement

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

6.2.2 *The statement is set out in the Treasury Management Strategy. This approach is under active review and will be reported once concluded*

7 Asset management review

7.1 Capital receipts

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

7.2 Property as a corporate resource

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

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

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

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

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

7.2.5 The Asset Management Plan is being reviewed and will include greater emphasis on the use of the Council's property assets to support the Council's Transformation Programme, regeneration and increased income/revenue generation.

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

8 Summary of estimated disposals 2017-2021

8.1.1 New guidance has been issued from the DCLG on the flexible use of capital receipts which comes into effect from 1 April 2016 to 31 March 2019. This gives local authorities flexibility to spend capital receipts (excluding Right to Buy receipts) from planned new asset sales on the revenue costs of reform projects, subject to the condition that the projects generate on going revenue savings e.g. transforming service delivery to reduce costs or to improve the quality of service delivery in future years. Below is a plan of activities to which the new treatment of capital receipts could be applied:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non- staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;

- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;

8.1.3 The direction makes it clear that local authorities cannot borrow to finance the revenue costs of service reform. Local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years in which this flexibility is offered. Local Authorities may not use their existing stock of capital receipts to finance the revenue costs of reform.

Officers are currently considering how to utilise this flexibility to progress key transformation projects such as the housing zone and related redundancy costs.

8.1.4 The Guidance recommends that the Strategy setting out details of projects to be funded through flexible use of capital receipts be prepared prior to the start of each financial year (Flexible Use of Capital Receipts Strategy). Failure to meet this requirement does not mean that an authority cannot access the flexibility in that year. However, in this instance, the Strategy should be presented to full Council or the equivalent at the earliest possible opportunity.

8.1.5 As a minimum, the Strategy should list each project that plans to make use of the capital receipts flexibility and that on a project by project basis details of the expected savings/service transformation are provided. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming year and subsequent years. The Strategy should also contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial analysis.

8.1.6 Due to difficulties in the property market since the economic recession a cautious view has been taken of the potential capital receipts identified. Much of the anticipated capital receipts are as a result of the VAT shelter agreement entered into with Merton Priory Homes as part of the housing stock transfer. There are current proposals for some of the properties under this agreement to be redeveloped which could result in a reduction in receipts from the VAT shelter agreement, however a Development and Disposals Clawback Agreement was entered into as part of the same transfer and this could result in a significant capital receipt should these development plans go ahead. The following table represents an estimate of an anticipated cash flow and therefore these future capital receipts these have been utilised to fund the capital programme:-

Anticipated Capital Receipts	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s
Sale of Assets	0	0	0	0
Right to buy/VAT Shelter	1,200	900	900	900
Total	1,200	900	900	900

As there is currently not a need to enter into external borrowing, investment balances will rise with the addition of capital receipts. Average expected interest rates on investments across the years of the capital programme are approximately 0.5%, as such an increase in receipts of £1m would be expected to generate a £5,000 increase in interest in a full year.

The table below shows the funding of the capital programme utilising capital receipts, capital grants and contributions, capital reserves and revenue provisions.

Capital Expenditure	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Capital Expenditure	39,261	38,623	33,205	16,076	8,432
Slippage	(6,428)	787	1,602	592	102
Total Capital Expenditure	32,833	39,410	34,807	16,668	8,534
Financed by:					
Capital Receipts	14,812	19,117	900	900	900
Capital Grants & Contributions	15,554	14,729	13,055	5,485	628
Revenue Provisions	2,394	5,332	1,356	2	0
Net financing need for the year	72	232	19,497	10,282	7,006

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

disposal time for some properties if they are listed as assets of community value by the Council.

8.2 Debt repayment

- 8.2.1 The council has had a strategy to reduce its level of debt when opportunity arises in the market. The average interest payable on outstanding debt is 5.72%. For the period 2017-21, capital receipts may continue to be used to pay the premiums on the repayment of those authority debts which have high fixed interest charges, if the terms offered will result in appropriate revenue savings. Any decision to repay debt early will be considered alongside the funding however, this is unlikely to be the case in the short to medium term requirement of the programme.

9 Grant Funding Capital Resources

9.1 Environmental and Regeneration

	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Transport for London LIP (earmarked) Capital	2,765	*3,865	TBA	TBA
Total: E&R	2,755	2,765	TBA	TBA

* Indicative and likely to reduce
TBA – To Be Advised

9.2 Children, Schools and Families

CSF	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
School Condition (non-ringfenced)*	1,800	TBA	TBA	TBA
Basic Need (non-ringfenced)	6,063	7,471	TBA	TBA
Total Grant Funding	7,863	7,471	TBA	TBA
New School (Expected Ringfenced)*	4,850	0	0	0
Devolved Formula Capital (Earmarked)	TBA	TBA	TBA	TBA
TOTAL: CS&F	12,713	7,471	TBA	TBA
Balance added for outstanding grant allocations - CSF	0	529	5,000	650

* Based on Indicative Information

TBA – To Be Advised

9.3 Community and Housing

	2017/18	2018/19	2019/20	2020/21
	£0	£0	£0	£0
Better Care Fund – Minimum Allocation for Disabled Facilities Grant)	<u>TBA</u>	TBA	TBA	TBA

9.4 Summary of Grant Funding 2017-2021

9.4.1 The new resources notified to date are summarised in the following table. It is expected that there will be additional earmarked resources notified during the financial year 2016/17:-

Grant Funding	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s
Environment and Regeneration	2,765	3,865	TBA	TBA
Children, Schools and Families	12,713	7,471	TBA	TBA
Community and Housing	TBA	TBA	TBA	TBA
Total Grant Funding*	15,478	11,336	0	0
Balance added for outstanding grant allocations - CSF	0	529	5,000	650

* This shows the grant funding being received by the authority

10 Summary of Total Resources 2017-21:

10.1 Summary

10.1.1 The total anticipated resources over the plan period 2017-21, including existing grant funding and anticipated CS&F grants, is summarised in the following table:-

	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s
Grant & Contributions *	14,729	13,054	5,484	628
Council Funding	24,680	21,752	11,185	7,906
Total	39,410	34,807	16,668	8,534

* This table shows the grants and contributions applied to fund the programme allowing for slippage.

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

10.1.3 The Table below summarises the Indicative Capital Programme for 2021 to 2026. Additional detail is provided as Annex 5:

Indicative Capital Programme 2021 to 2026

Merton	Updated Budget 21/22	Updated Budget 22/23	Updated Budget 23/24	Updated Budget 24/25	Updated Budget 25/26
Corporate Services	3,962,000	2,510,000	4,800,000	2,862,000	4,560,000
Community and Housing	280,000	280,000	280,000	280,000	630,000
Children, Schools & Families *	650,000	650,000	755,000	650,000	650,000
Environment & Regeneration *	4,052,000	4,017,000	4,017,000	4,077,000	8,075,000
Total Merton	8,944,000	7,457,000	9,852,000	7,869,000	13,915,000

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

10.1.4 For every £1 million capital expenditure that is funded by external borrowing it is estimated that there will be annual revenue debt charges of between £216,000 for assets with a life of 5 years to £39,600 for an asset life of 50 years.

11 Capital Bids and Prioritisation Criteria

11.1 Prioritisation of schemes 2020/21

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

The prioritisation criteria used in respect of growth were 'Statutory', Need (demand and / or priority), attracts match funding and revenue impact (including invest to save). Due to officers' awareness of the need to restrain the capital programme to affordable levels, the reduction put forward over the period 2017-21, on the basis of these criteria by the board to cabinet was £14.8 million 2017-21 (excluding TfL).

12 Detailed Capital Programme 2017-21

12.1 Corporate Services

12.2 This department is responsible for the administration of finance and staff, together with the corporate buildings including IT and utility services. Its main capital expenditure is on IT software and hardware, and on improvements to buildings. In order to support more intensive use of the civic centre HQ as part of the flexible working project, capital investment in the overall building infrastructure is essential, including replacement of the main boilers and heat exchangers that are approaching the end of their economic lifespan. There are also budgets held centrally under Corporate Services to ensure funds are available to take up opportunities arising in the local property market, to

leverage match funding or to enable transformation of services. Annex 1 provides the overall scheme level for approval and Annex 3 provides a detailed breakdown of projects.

12.3 Children, Schools and Families

This department's main capital focus is the need for increased provision for pupils, with the major spend shifting from primary to secondary in 2016/17. The provision in the 2017-21 programme has been revised to that shown in the table below:

Children, Schools & Families	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
Primary School Expansions	30	0	0	0
Secondary School Expansions	8,889	6,156	4,481	0
SEN	3,196	5,310	1,000	0
Other	804	650	755	650
Children, Schools & Families	12,920	12,116	6,236	650

Please note £1million has moved from Secondary Expansions to SEN since November Cabinet

CSF capital programme 2017-21

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

The capital programme in 2017/18 provides the finance to complete the expansion of Dundonald Primary School. This will complete a primary school expansion programme over eight years that is providing an additional 4,410 places (21 additional forms of entry since 2007/08).

Following the latest demographic information and admissions data, no further primary school expansions are planned or funded in the capital programme.

Secondary school places

The significant increase in demand for school places reached the secondary phase from September 2015, with significant increases at secondary age transfer up to 2018/19 that will flow into all secondary age groups.

However, it is expected the extra demand for places can be met through existing accommodation for the first two years. School expansion and a new school will be required to provide sufficient places thereafter so significant budget is proposed for this from 2016-17.

The capital programme for 2017/21 includes £19.6 million for expansions in the borough's existing secondary schools and the first phase of a new secondary school. However, the council is working with the Education

Funding Agency to ensure that significant funding for the new 'Harris Wimbledon' school is provided by central government.

Due to the difficulty of accurately forecasting the specific level of pupil transfer from the last year of primary school to secondary school the level of secondary school expansion required will be subject to regular reviews over the capital programme period. There is therefore uncertainty over the size, timing and cost of the secondary expansion, this includes a lack of clarity regarding government funding.

Special school places

The increase in demand for special school provision is proportionally greater for special schools than mainstream schools, though the numbers involved are significantly smaller. Capital funding is provided in the 2017/21 programme for expansion, including ensuring the numbers in the Perseid upper school will match the lower school. Further decisions on specific expansion schemes for special school provision are subject to review.

Other schemes

With regard to other capital schemes, £650,000 per annum is provided for schools this will be limited to urgent health and safety related needs, with the council expecting schools to fund all works below £20,000.

12.3 Environment and Regeneration

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

The individual projects for this department are all listed in Annex 3. Other than the grant funded Transport for London scheme for the upgrade of principal roads, the departments main schemes relate to 12 main areas:

Environment & Regeneration	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Footways Planned Works	1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces	235,000	335,000	355,000	300,000
Highways General Planned Works	419,000	422,000	427,000	427,000
Highways Planned Road Works	1,500,000	1,500,000	1,200,000	1,200,000
Leisure Centres	9,018,670	2,117,450	257,950	250,000
Regeneration Partnerships	1,145,870	1,000,000	3,000,000	1,000,000
Street Lighting	290,000	509,000	290,000	290,000
Street Scene	60,000	60,000	60,000	60,000
Transport for London	2,064,800	3,864,800	0	0
Traffic and Parking Management	156,000	150,000	150,000	150,000
Transport and Plant	1,686,000	3,070,000	300,000	300,000

Waste Operations	160,500	2,719,500	40,000	40,000
Environment & Regeneration	17,735,840	16,747,750	7,079,950	5,017,000

12.3.1 Highways Planned Road Works and Footways Planned Works

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

12.3.2 Highways General Planned Works

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

Leisure Centres	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
Surface Water Drainage	69	72	77	77
Highways bridges & structures	260	260	260	260
Maintain AntiSkid and Coloured	90	90	90	90
Total Highways General Planned Works	419	422	427	427

12.3.3 Leisure

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

Leisure Centres	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
Leisure Centre Plant & Machine	450	300	250	250
Morden Leisure Centre	8,319	567	8	0
Wimbledon Park Lake De-Silting	250	1,250	0	0
Total Leisure Centres	9,019	2,117	258	250

12.3.4 Future Merton

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

Environment and Regeneration	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
Regeneration Partnerships				
Mitcham Major Schemes - TfL	700	0	0	0
Industrial Estate Investment	446	0	0	0

Transportation Enhancements	0	1,000	3,000	1,000
Total Regeneration Partnerships	1,146	1,000	1,000	1,000

12.4 Community and Housing

12.4.1 This department aims to provide residents with the chance to live independent and fulfilling lives, in suitable homes within sustainable communities, with chances to learn, use information, and acquire new skills. The departmental Capital Programme for 2017/21 comprises:

Community and Housing	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
<u>Libraries</u>				
Library Self Service	0	0	0	350
Colliers Wood Re-Fit	200	0	0	0
West Barnes Library Re-Fit	200	0	0	0
Library Management System	100	0	0	0
<u>Housing</u>				
Disabled Facilities Grant	755	629	280	280
Total Community and Housing	1,255	629	280	630

12.5 Overall Programme

12.5.1 The approved Capital Programme for 2017/21 follows at Annex 1, Annex 3 provides an additional breakdown detail of the approved schemes. The summary is as follows:

Merton	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Corporate Services	6,712,000	3,712,000	2,480,000	2,135,000
Community and Housing	1,255,000	628,900	280,000	630,000
Children, Schools & Families	12,920,030	12,116,200	6,236,000	650,000
Environment & Regeneration	17,735,840	16,747,750	7,079,950	5,017,000
Total Merton	38,622,870	33,204,850	16,075,950	8,432,000

12.5.2 The funding details for the programme follow at Annex 2

12.5.3 Within the funding details the authority has anticipated some slippage for schemes that require a consultation process or a planning application or where the implementation timetable is not certain. The slippage anticipated reduces the spend in the year it is budgeted but increases the spend in the

following year when it is incurred. When slippage from 2016/17 is approved, the 2017/18 Capital Programme will be adjusted accordingly.

12.5.4 Annexe 1	Capital Investment Programme - Schemes for Approval
Annexe 2	Funding the Capital Programme 2017-21
Annexe 3	Detailed Capital Programme 2017-21
Annexe 4	Analysis of Growth/(Reduction) from current approved programme
Annexe 5	Indicative Capital Programme 2021-26

CAPITAL INVESTMENT PROGRAMME - SCHEMES FOR APPROVAL - ANNEX 1

Merton	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Corporate Services	6,712,000	3,712,000	2,480,000	2,135,000
Community and Housing	1,255,000	628,900	280,000	630,000
Children, Schools & Families	12,920,030	12,116,200	6,236,000	650,000
Environment & Regeneration	17,735,840	16,747,750	7,079,950	5,017,000
Total Merton	38,622,870	33,204,850	16,075,950	8,432,000

Merton	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Total Business Improvement	816,000	1,377,000	0	0
Total Resources	0	0	0	125,000
Total Information Technology	1,946,000	1,085,000	630,000	1,060,000
Total Facilities Management	3,950,000	1,250,000	1,850,000	950,000
Total Corporate Services	6,712,000	3,712,000	2,480,000	2,135,000
Community and Housing				
Housing	755,000	628,900	280,000	280,000
Libraries	500,000	0	0	350,000
Total Community and Housing	1,255,000	628,900	280,000	630,000
Children, Schools and Families				
Primary School Expansions	30,000	0	0	0
Secondary School Expansions	8,889,290	6,156,200	4,481,000	0
SEN	3,196,290	5,310,000	1,000,000	0
Other	804,450	650,000	755,000	650,000
Children, Schools & Families	12,920,030	12,116,200	6,236,000	650,000

Please note £1million has moved from Secondary Expansions to SEN since November Cabinet

CAPITAL INVESTMENT PROGRAMME - SCHEMES FOR APPROVAL - ANNEX 1 Continued.....

Environment & Regeneration	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Footways Planned Works	1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces	235,000	335,000	355,000	300,000
Highways General Planned Works	419,000	422,000	427,000	427,000
Highways Planned Road Works	1,500,000	1,500,000	1,200,000	1,200,000
Leisure Centres	9,018,670	2,117,450	257,950	250,000
Regeneration Partnerships	1,145,870	1,000,000	3,000,000	1,000,000
Street Lighting	290,000	509,000	290,000	290,000
Street Scene	60,000	60,000	60,000	60,000
Transport for London	2,064,800	3,864,800	0	0
Traffic and Parking Management	156,000	150,000	150,000	150,000
Transport and Plant	1,686,000	3,070,000	300,000	300,000
Waste Operations	160,500	2,719,500	40,000	40,000
Environment & Regeneration	17,735,840	16,747,750	7,079,950	5,017,000

Please Note

- 1) Excludes expenditure budgets relating to Disabled Facilities Grant funding from 2017/18.
- 2) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 3) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2017/18 as grant funding has not been announced.
- 4) Excludes any expenditure budgets relating to a Housing Company

FUNDING THE CAPITAL PROGRAMME 2016-21Annex2

Merton	Capital Programme £000s	Funded by Merton £000s	Funded by grant and capital contributions £000s
2016/17 Current Budget	39,261	22,575	16,686
Potential Slippage b/f	0	0	0
2016/17 Revised Budget	39,261	22,575	16,686
Potential Slippage c/f	(5,166)	(4,614)	(552)
Potential Underspend not slipped into next year	(1,262)	(685)	(578)
Total Spend 2016/17	32,833	17,278	15,555
2017/18 Current Budget	38,623	23,876	14,747
Potential Slippage b/f	5,166	4,614	552
2017/18 Revised Budget	43,789	28,490	15,299
Potential Slippage c/f	(3,470)	(2,966)	(503)
Potential Underspend not slipped into next year	(909)	(842)	(67)
Total Spend 2017/18	39,410	24,680	14,729
2018/19 Current Budget	33,205	20,362	12,844
Potential Slippage b/f	3,470	2,966	503
2018/19 Revised Budget	36,675	23,328	13,347
Potential Slippage c/f	(1,469)	(1,239)	(230)
Potential Underspend not slipped into next year	(399)	(336)	(63)
Total Spend 2018/19	34,807	21,752	13,054
2019/20 Current Budget	16,076	10,796	5,280
Potential Slippage b/f	1,469	1,239	230
2019/20 Revised Budget	17,545	12,036	5,510
Potential Slippage c/f	(551)	(540)	(11)
Potential Underspend not slipped into next year	(326)	(312)	(14)
Total Spend 2019/20	16,668	11,185	5,484
2020/21 Current Budget	8,432	7,782	650
Potential Slippage b/f	551	540	11
2020/21 Revised Budget	8,983	8,322	661
Potential Slippage c/f	(101)	(100)	(1)

Potential Underspend not slipped into next year	(348)	(315)	(33)
Total Spend 2020/21	8,534	7,906	628

* Funded by Merton refers to expenditure funded through Capital Receipts, Revenue Reserves and ' by borrowing.

DETAILED CAPITAL PROGRAMME 2017-21**ANNEX 3**

Department	Scrutiny	2017-18	2018-19	2019-20	2020-21
<u>Corporate Services</u>					
<u>Business Improvement</u>					
Replacement Social Care System	OSC	425,540	350,000	0	0
Planning&Public Protection Sys	OSC	40,000	510,000	0	0
Revenue and Benefits	OSC	0	400,000	0	0
Spectrum Spatial Analyst Replacement	OSC	0	42,000	0	0
Capita Housing	OSC	100,000	0	0	0
Aligned Assets	OSC	0	75,000	0	0
Replacement Document Management System	OSC	0	0	0	0
Electronic Asset Management	OSC	250,460	0	0	0
Customer Contact	OSC	0	0	0	0
<u>Corporate</u>					
<u>Facilities Management</u>					
Invest to Save Schemes	OSC	900,000	300,000	300,000	300,000
Capital Works Facilities	OSC	300,000	300,000	650,000	650,000
Water Safety Works	OSC	150,000	100,000	0	0
Asbestos Safety Works	OSC	250,000	250,000	0	0
Schools PV&Energy conservation	OSC	2,000,000	0	0	0
Civic Centre Boilers	OSC	0	300,000	0	0
Civic Centre Staff Entrance Improvements	OSC	200,000	0	0	0
Civic Centre Lightning Upgrade	OSC	0	0	300,000	0
Civic Centre Block Paving	OSC	75,000	0	0	0
Multi-Function Device	OSC	75,000	0	600,000	0
<u>Information Technology</u>					
Planned Replacement Programme	OSC	1,746,000	510,000	430,000	860,000
IT Enhancements	OSC	200,000	275,000	200,000	200,000
Data Centre Support Equipment	OSC	0	300,000	0	0
<u>Resources</u>					
Replacement of Civica Icon	OSC	0	0	0	125,000
Total Corporate Services		6,712,000	3,712,000	2,480,000	2,135,000

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

DETAILED CAPITAL PROGRAMME 2017-21 Continued....

ANNEX 3

Department	Scrutiny	2017-18	2018-19	2019-20	2020-21
Community and Housing					
<u>Libraries</u>					
Library Self Service	SC	0	0	0	350,000
Colliers Wood Re-Fit	SC	200,000	0	0	0
West Barnes Library Re-Fit	SC	200,000	0	0	0
Library Management System	SC	100,000	0	0	0
<u>Housing</u>					
Disabled Facilities Grant	SC	755,000	628,900	280,000	280,000
Total Community and Housing		1,255,000	628,900	280,000	630,000

Department	Scrutiny	2017-18	2018-19	2019-20	2020-21
Children, Schools and Families					
<u>Primary Expansions</u>					
Dundonald	CYP	30,000	0	0	0
<u>Secondary Expansion</u>					
Secondary School expansion	CYP	30,000	0	0	0
St Marks	CYP	200,000	1,423,600	3,681,000	0
New 6fe School	CYP	5,116,250	2,689,100	0	0
Harris merton	CYP	3,372,980	0	0	0
Harris Morden	CYP	200,060	2,043,500	800,000	0
<u>SEN Expansion</u>					
Perseid	CYP	931,930	650,000	0	0
Secondary School Autism Unit	CYP	200,000	1,160,000	0	0
Further SEN	CYP	2,064,360	3,500,000	1,000,000	0
<u>Other CSE</u>					
Schools Capital Maintenance	CYP	670,000	650,000	650,000	650,000
School Loans	CYP	104,450	0	0	0
Admissions IT	CYP	0	0	105,000	0
Total Children, Schools and Families		12,920,030	12,116,200	6,236,000	650,000

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

Please note £1million has moved from St Marks Secondary to Further SEN since November Cabinet

Please Note

- 1) Excludes expenditure budgets relating to Disabled Facilities Grant from 17/18.
- 2) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 3) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 4) Excludes any expenditure budgets relating to a Housing Company

DETAILED CAPITAL PROGRAMME 2017-21 Continued....

ANNEX 3

Department	Scrutiny	2017-18	2018-19	2019-20	2020-21
<u>Environment and Regeneration</u>					
<u>Footways Planned Works</u>					
Repairs to Footways	SC	1,000,000	1,000,000	1,000,000	1,000,000
<u>Greenspaces</u>					
Parks investment	SC	201,000	307,500	295,000	300,000
Parks Bins - Finance Lease	SC	34,000	27,500	0	0
Pay & Display Machine	SC	0	0	60,000	0
<u>Highways General Planned Works</u>					
Surface Drainage Water	SC	69,000	72,000	77,000	77,000
Highways and Bridges Structures	SC	260,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	SC	90,000	90,000	90,000	90,000
<u>Highways Planned Road Works</u>					
Borough Roads Maintenance	SC	1,500,000	1,500,000	1,200,000	1,200,000
<u>Leisure Centres</u>					
Leisure Centre Plant and Machines	SC	450,000	300,000	250,000	250,000
Morden Leisure Centre	SC	8,318,670	567,450	7,950	0
Wimbledon Park Lake De-Silting	SC	250,000	1,250,000	0	0
<u>Regeneration Partnerships</u>					
Mitcham Major Schemes - TfL	SC	700,000	0	0	0
Industrial Estate Investment	SC	445,870	0	0	0
Transportation Enhancements	SC	0	1,000,000	3,000,000	1,000,000
<u>Street Lighting</u>					
Street Lighting	SC	290,000	509,000	290,000	290,000
<u>Street Scene</u>					
Street Tree Programme	SC	60,000	60,000	60,000	60,000
<u>Transport for London</u>					
TfL Unallocated	SC	1,844,800	1,864,800	0	0
Morden TfL	SC	220,000	2,000,000	0	0
<u>Transport and Plant</u>					
Replacement Fleet Vehicles	SC	400,000	400,000	300,000	300,000
SWLP Vehicles	SC	1,286,000	2,670,000	0	0
<u>Traffic and Parking Management</u>					
Traffic Schemes	SC	156,000	150,000	150,000	150,000
<u>Waste Operations</u>					
Alley Gating	SC	40,000	40,000	40,000	40,000
Waste Bins - Finance Lease	SC	5,500	5,500	0	0
SWLP IT	SC	42,000	0	0	0
SWLP Depot	SC	73,000	0	0	0
SWLP Wheelie Bins	SC	0	2,674,000	0	0
Total Environment and Regeneration		17,735,840	16,747,750	7,079,950	5,017,000

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

Analysis of Growth against Approved Programme 2017/20 and Indicative Programme 2020/21
ANNEX 4

Department	2017-18	2018-19	2019-20	2020-21
Corporate Services				
<u>Business Improvement</u>				
Replacement Social Care System	200,000	350,000	0	(150,000)
Planning&Public Protection Sys	(510,000)	510,000	0	0
Electronic Asset Management	0	0	(190,000)	0
Customer Contact	0	0	0	(200,000)
<u>Corporate</u>				
<u>Facilities Management</u>				
Capital Works Facilities	0	0	(50,000)	(50,000)
<u>Resources</u>				
Improving Financial Systems	0	0	0	(700,000)
Total Corporate Services	(310,000)	860,000	(240,000)	(1,100,000)
Children, Schools and Families				
<u>Secondary Expansion</u>				
St Marks	(911,800)	(1,257,400)	1,681,000	0
New 6fe School	0	0	(1,979,100)	(6,000,000)
Harris Morden	(1,643,500)	1,343,500	800,000	0
Raynes Park	(100,000)	(1,530,000)	(4,200,000)	0
<u>SEN Expansion</u>				
Secondary School Autism Unit	(960,000)	1,160,000	0	0
Further SEN	(500,000)	500,000	0	0
Total Children, Schools and Families	(4,115,300)	216,100	(3,698,100)	(6,000,000)
Environment and Regeneration				
<u>Greenspaces</u>				
Parks investment	0	0	0	(25,000)
<u>Highways Planned Road Works</u>				
Borough Roads Maintenance	0	0	(50,000)	(50,000)
<u>Leisure Centres</u>				
Leisure Centre Plant and Machines	0	0	(50,000)	(50,000)
<u>Regeneration Partnerships</u>				
Transportation Enhancements	0	(4,000,000)	3,000,000	1,000,000
<u>Transport and Plant</u>				
Replacement Fleet Vehicles	(100,000)	(100,000)	(50,000)	(50,000)
<u>Traffic and Parking Management</u>				
Traffic Schemes	0	(25,000)	(25,000)	(25,000)
Total Environment and Regeneration	(100,000)	(4,125,000)	2,825,000	800,000
Total Merton	(4,525,300)	(3,048,900)	(1,113,100)	(6,300,000)

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

** Negative growth in the capital programme is as a result of reduction when compared to the approved (17/20) and indicative (20/21)

INDICATIVE CAPITAL PROGRAMME 2021-26

ANNEX 5

<u>Department</u>	2021-22	2022-23	2023-24	2024-25	2025-26
<u>Corporate Services</u>					
<u>Business Improvement</u>					
Replacement Social Care System	0	0	2,100,000	0	0
Planning&Public Protection Sys	0	0	0	0	550,000
Revenue and Benefits	0	0	0	400,000	0
Spectrum Spatial Analyst Replacement	42,000	0	0	42,000	0
Capita Housing	0	100,000	0	0	0
Aligned Assets	0	0	75,000	0	0
Replacement Document Management System	0	0	900,000	0	0
Electronic Asset Management	0	0	0	240,000	0
Customer Contact	2,000,000	0	0	0	2,000,000
<u>Facilities Management</u>					
Invest to Save Schemes	300,000	300,000	300,000	300,000	300,000
Capital Works Facilities	650,000	650,000	650,000	650,000	650,000
Multi-Function Device	0	0	0	600,000	0
<u>Information Technology</u>					
Planned Replacement Programme	770,000	560,000	575,000	430,000	860,000
IT Enhancements	200,000	200,000	200,000	200,000	200,000
<u>Resources</u>					
Improving Financial Systems	0	700,000	0	0	0
Total Corporate Services	3,962,000	2,510,000	4,800,000	2,862,000	4,560,000
<u>Community and Housing</u>					
<u>Libraries</u>					
Library Self Service	0	0	0	0	350,000
<u>Housing</u>					
Disabled Facilities Grant	280,000	280,000	280,000	280,000	280,000
Total Community and Housing	280,000	280,000	280,000	280,000	630,000
<u>Children, Schools and Families</u>					
<u>Other CSF</u>					
Schools Capital Maintenance	650,000	650,000	650,000	650,000	650,000
Admissions IT	0	0	105,000	0	0
Total Children, Schools and Families	650,000	650,000	755,000	650,000	650,000

INDICATIVE CAPITAL PROGRAMME 2021-26 Continued.....

ANNEX 5

Department	2021-22	2022-23	2023-24	2024-25	2025-26
Environment and Regeneration					
<u>Footways Planned Works</u>					
Repairs to Footways	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<u>Greenspaces</u>					
Parks investment	300,000	300,000	300,000	300,000	300,000
Pay & Display Machine	0	0	0	60,000	60,000
<u>Highways General Planned Works</u>					
Surface Drainage Water	77,000	77,000	77,000	77,000	77,000
Highways and Bridges Structures	260,000	260,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	90,000	90,000	90,000	90,000	90,000
<u>Highways Planned Road Works</u>					
Borough Roads Maintenance	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
<u>Leisure Centres</u>					
Leisure Centre Plant and Machines	250,000	250,000	250,000	250,000	250,000
<u>Other E&R</u>					
Replacing Handheld Computers	35,000	0	0	0	0
<u>Street Lighting</u>					
Street Lighting	290,000	290,000	290,000	290,000	290,000
<u>Street Scene</u>					
Street Tree Programme	60,000	60,000	60,000	60,000	60,000
<u>Transport and Plant</u>					
Replacement Fleet Vehicles	300,000	300,000	300,000	300,000	300,000
SWLP Vehicles	0	0	0	0	3,956,000
<u>Traffic and Parking Management</u>					
Traffic Schemes	150,000	150,000	150,000	150,000	150,000
<u>Waste Operations</u>					
Alley Gating	40,000	40,000	40,000	40,000	40,000
SWLP IT	0	0	0	0	42,000
Total Environment and Regeneration	4,052,000	4,017,000	4,017,000	4,077,000	8,075,000
Total Merton	8,944,000	7,457,000	9,852,000	7,869,000	13,915,000

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

** Negative growth in the capital programme is as a result of reduction when compared to the approved (17/20)and indicative (20/21) programme.

Please Note

- 1) Excludes expenditure budgets relating to Disabled Facilities Grant
- 2) Excludes expenditure budgets relating to Transport for London Grant .
- 3) Excludes expenditure budgets relating to Devolved Formula Capital for schools.
- 4) Excludes any expenditure budgets relating to a Housing Company

AUTUMN STATEMENT 2016

The new Chancellor of the Exchequer, Philip Hammond, delivered his first Autumn Statement On 2016. Following the result of the referendum to leave the European Union, the Statement announced that this presents both new opportunities and new challenges but “in the near term, the UK’s economic outlook has become more uncertain.”

UK Economy

“The Office for Budget Responsibility (OBR) forecasts that GDP growth will slow to 1.4% in 2017, and then recover to 1.7% in 2018, 2.1% in both 2019 and 2020, and 2.0% in 2021. The OBR expects lower business investment and household spending to weigh on GDP in the near term.”

Key Economic & Fiscal Indicators

	2015	2016	2017	2018	2019	2020	2021
Gross domestic product (GDP) (%)	2.2	2.1	1.4	1.7	2.1	2.1	2.0
Public sector net borrowing (£bn)	76.0	68.2	59.0	46.5	21.9	20.7	17.2
Public sector net borrowing (deficit % of GDP)	4.0	3.5	2.9	2.2	1.0	0.9	0.7
Public sector net debt (% of GDP)	84.2	87.3	90.2	89.7	88.0	84.8	81.6
LFS unemployment (% rate)	5.4	5.0	5.2	5.5	5.4	5.4	5.4
Employment (millions)	31.3	31.7	31.8	31.9	32.0	32.2	32.3
CPI Inflation (%)	0.0	0.7	2.3	2.5	2.1	2.0	2.0

Source: H.M.Treasury – Autumn Statement 2016; OBR - Economic & Fiscal Outlook, November 2016

Public finances and fiscal policy

“The OBR’s forecast for the public finances shows a deterioration since Budget 2016, due to disappointing tax revenues over the first half of this year, a weaker economic outlook weighing on receipts from income taxes, and higher spending by local authorities, public corporations, and on welfare benefits. Compared with the OBR’s Budget 2016 forecast, borrowing is higher in every year of the forecast and £32 billion higher in 2020-21. Debt peaks at over 90% of GDP in 2017-18 due to a combination of higher borrowing, lower asset sales, and the impact of the Bank of England’s monetary policy operations.”

Public Spending

“With the deficit still sizeable, control of public spending and delivery of efficiencies is vital. The government is committed to the overall plans for departmental resource spending set out at Spending Review 2015. In the Autumn Statement, new spending initiatives, with the exception of the National Productivity Investment Fund (NPIF), have been fully funded.”

Departmental Expenditure Limits

“Budget 2016 set out that departmental resource spending will continue to grow with inflation in 2020-21. Departmental spending will also grow with inflation in 2021-22. The government will meet the commitments on public spending set out for this Parliament: including commitments to priority public services, to international development and defence, and to pensioners. The government will continue to constrain public spending in the next Parliament to reach a balanced budget and live within its means. The commitments it is able to make on protecting public spending priorities in the next Parliament will need to be determined in light of evolving prospects for the fiscal position. The government will do this at the next Spending Review.”

Table 1.5 (Autumn Statement): Total Managed Expenditure^{1, 2} (in £ billion, unless otherwise stated)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Current expenditure	370.2	386.9	400.3	407.2	421.1	439.8
Resource AME						
Resource DEL excluding depreciation	309.0	304.2	306.3	305.6	311.5	317.6
Ring-fenced depreciation	20.6	21.9	22.8	23.3	21.9	22.8
Total public sector current expenditure	699.8	713.0	729.4	736.2	754.5	780.1
Capital expenditure	26.6	26.7	25.8	27.3	30.4	32.0
Capital AME						
Capital DEL	52.3	57.2	59.2	60.2	70.6	74.2
Total public sector gross investment	79.0	84.0	85.1	87.5	101.1	106.3
Total managed expenditure	778.8	797.0	814.5	823.7	855.6	886.4
<i>Total managed expenditure (% of GDP)</i>	<i>39.9%</i>	<i>39.8%</i>	<i>39.1%</i>	<i>38.0%</i>	<i>38.0%</i>	<i>37.8%</i>

The Chancellor signalled no changes in ring-fencing of protected departments nor in the pensions triple lock during this Parliament but suggested that these would need to be looked at before the next Parliament

National Productivity Investment Fund (NPIF)

The government prioritised capital spending at Spending Review 2015 and is now setting out plans to go further. The Autumn Statement announces a new NPIF which will be targeted at 4 areas that are critical for improving productivity: housing, transport, digital communications, and research and development (R&D). The NPIF will provide for £23 billion of spending between 2017-18 and 2021-22.

Table 3.1 (Autumn Statement): National Productivity Investment Fund (£ million)¹

	2017-18	2018-19	2019-20	2020-21	2021-22 ⁴
Housing					
Accelerated construction	285	635	665	380	*
Affordable housing ²	1,120	1,125	880	340	*
Housing Infrastructure Fund	60	300	945	1,425	*
Transport					
Roads and local transport	365	500	430	650	*
Next generation vehicles	75	100	110	115	*
Digital railways enhancements	30	55	165	285	*
Cambridge-Milton Keynes-Oxford corridor	5	135	0	0	*
Digital Communications³					
Fibre and 5G investment	25	150	275	290	*
Research and Development					
Research and Development funding	425	820	1,500	2,000	*
Total	2,390	3,820	4,970	5,485	7,000

¹ Figures represent the total costs associated with the funding allocations announced at the Autumn Statement, including the impact on Devolved Administration budgets through the application of the Barnett formula.

² The affordable housing line includes the impact on Housing Association spending of £1.4 billion extra capital grant from central government to fund 40,000 new homes, and introducing tenure flexibility across the Affordable Homes Programme.

³ Figures show PSGI impact of policies only, and do not include funding for the Digital Infrastructure Investment Fund.

⁴ Capital budgets have not yet been set for 2021-22. Allocation of the £7 billion will be made in due course alongside wider capital budgets.
Source: HM Treasury.

Housing

The government will publish a Housing White Paper shortly, setting out a comprehensive package of reform to increase housing supply and halt the decline in housing affordability. In the Autumn Statement the Chancellor announced a £2.3bn Housing Infrastructure Fund to build 100,000 new houses in areas of high demand. Funded by a new National Productivity Investment Fund (NPIF) and allocated to local government on a competitive basis it is intended to “provide infrastructure targeted at unlocking new private house building in the areas where housing need is greatest”

Affordable homes – the government will relax restrictions on grant funding to allow providers to deliver a mix of homes for affordable rent and low cost ownership, to meet the housing needs of people in different circumstances and at different stages of their lives. The NPIF will provide an additional £1.4 billion to deliver an additional 40,000 housing starts by 2020-21.

Affordable housing settlement - The government confirmed the GLA’s affordable housing settlement will be £3.15 billion, to deliver over 90,000 housing starts by 2020-21.

Right to Buy – The government will fund a large-scale regional pilot of the Right to Buy for housing association tenants. Over 3,000 tenants will be able to buy their own home with Right to Buy discounts under the pilot.

Business Rates

- The Government’s preferred option for the Transitional Relief scheme has been confirmed – with the cap for large businesses being reduced from 45% to 42% in 2017-18 and from 50% to 32% in 2018-19. This benefits London businesses by £46 million in 2017-18 and £33 million in 2018-19 (against aggregate increases of around £1.1 billion a year).
- 100% relief announced for new full-fibre infrastructure for a 5 year period from 1 April 2017.
- Rural rate relief will double to 100% from 1 April 2017.
- Government reconfirmed the Business tax road map – including reducing business rates by £6.7 billion over the next 5 years (previously announced at Budget 2016).

Public Spending and Welfare

The Government remains committed to delivering overall spending plans set at Spending Review 2015. All new announcements in the Autumn Statement, apart from the NPIF, are fully funded. The government intends to deliver the welfare savings already identified but has no plans to introduce further welfare savings measures in this Parliament beyond those already announced.

Universal Credit taper – From April 2017, the taper rate that applies in Universal Credit will be reduced from 65% to 63%. The Government estimates that 3 million households will benefit from this change.

Local Housing Allowance (LHA) rates in social housing

The implementation of the cap on Housing Benefit and LHA rates in the social rented sector will be delayed by 1 year, to April 2019. The cap will be applied to all supported housing tenancies from April 2019, and the government will provide additional funding to Local Authorities, so that they can meet the additional costs of supported housing in their area. For general needs housing, the cap will now apply from April 2019 for all tenants on Universal Credit, and to Housing Benefit tenants whose tenancies began or were renewed since April 2016.

Employment

National Living Wage and National Minimum Wage rates – Following the recommendations of the independent Low Pay Commission, the Government will increase the National Living Wage (NLW) by 4.2% from £7.20 to £7.50 from April 2017. This is estimated to mean a pay rise for over a million workers.

Off-payroll working rules – the Government confirmed it will reform the offpayroll working rules in the public sector from April 2017 by moving responsibility for operating them, and paying the correct tax, to the body paying the worker’s company. The 5% tax-free

allowance will be removed for those working in the public sector, reflecting the fact that workers no longer bear the administrative burden of deciding whether the rules apply.

Local infrastructure

The Government will award £1.8 billion to Local Enterprise Partnerships (LEPs) across England and £492 million of this will go to London and the south east. Awards to individual LEPs will be announced in the coming months. This funding of local infrastructure will improve transport connections, unlock house building, boost skills, and enhance digital connectivity. The government will also consult on lending local authorities up to £1 billion at a new local infrastructure rate of gilts + 60 basis points for three years to support infrastructure projects that are high value for money.

Flood defence and resilience

The government will invest £170 million in flood defence and resilience measures. £20 million of this investment will be for new flood defence schemes, £50 million for rail resilience projects and £100 million to improve the resilience of roads to flooding.

English devolution

The Government will transfer to London, and to Greater Manchester, the budget for the Work and Health Programme, subject to the two areas meeting certain conditions, including on co-funding. The government has also confirmed the Greater London Authority's (GLA) affordable housing settlement, under which the GLA will receive £3.15 billion to deliver over 90,000 housing starts by 2020-21, and will devolve the adult education budget to London from 2019-20 (subject to readiness conditions). The government will continue to work with London to explore further devolution of powers over the coming months.

Potential Impact on Local Government Funding

In their summation of the Autumn Statement, London Councils concluded that "It is not expected that the policy changes announced will impact on local government funding. The final 2016-17 Local Government finance settlement set out four year funding allocations for local government in February. The £3.5 billion of additional public spending reductions from the "departmental efficiency review" announced in the Spending Review will report in 2018. The government has indicated that £1 billion of this will be reinvested to support "priority areas", but this will not impact on local government funding.

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Committee: Children and Young People's Scrutiny Panel

Date: 11th January 2017

Wards: All

Subject: Progress Report on Health and Wellbeing Strategy priorities for Children and Young People

Lead officer: Dr Dagmar Zeuner, Director of Public Health

Lead member: Councillor Katie Neep

Contact officer: Julia Groom, Consultant in Public Health/Leanne Wallder, Head of Commissioning and Partnerships

Recommendations:

- A. To review progress on the delivery of the Health and Wellbeing Strategy theme 1: Best start in life.
 - B. To consider how the Panel can contribute to the development and delivery of theme 1 and opportunities for further integration and partnership work.
 - C. To support and champion action on tackling childhood obesity.
 - D. To support progress on implementation of CAMHS transformation plan.
 - E. To consider progress on development of Community Health Services for children and young people.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to update the Children and Young People's Scrutiny Panel on the delivery of the Health and Wellbeing Strategy theme1: Best start - early years development and strong educational achievement. In addition it provides a focus on Community Health Services for 0-19 year olds, which from April 2016, have been delivered by our new provider Central London Community Health Services NHS Trust.

2. DETAILS

- 2.1 Merton Health and Wellbeing Strategy 2015/16 -2017/18 includes *theme 1: best start in life- early years development and strong educational achievement*. This reflects strong evidence that investing in early years is effective and critical to reducing health inequalities across the life-course and that improvements in schools attainment are a major contributor to health and wellbeing of children and young people. The 'best start theme focuses on the following outcomes:
 - Uptake of childhood immunisation is increased
 - Waiting time for children and adolescents to mental health services is shortened
 - Childhood obesity is reduced
 - Educational achievement gap in children eligible for pupil premium is reduced
 - The proportion of children ready for school is increased

- 2.2 The Children's Trust Board lead on monitoring outcomes for theme 1 within the Health and Wellbeing Strategy. Priorities are reported to the Board throughout the year and an annual report is presented to the Health and Wellbeing Board.
- 2.3 The strategy complements Merton's Children and Young People's Plan (CYPP), which focuses on improving outcomes for key groups of vulnerable children, including those in need of early help, safeguarding children, Looked After children and care leavers, and children with special educational needs and disabilities. Health and wellbeing is a 'golden thread' across the CYPP and all the work overseen by the Children's Trust.

Overview of progress

- 2.4 This report provides an update against the key outcome measures and targets which were agreed to monitor progress on delivery of the Health and Wellbeing Strategy. An assessment shows positive progress across several areas in line with trajectory to 2018 targets.

There is good evidence in certain areas of impact on outcomes including:

- Reduced average waiting times for local children and adolescent mental health services through the introduction of a Single Point of Access.
- Increased proportion of children with free school meal status achieving a good level of development in early years, and some closing of the gap with their peers.
- Reduced gap between disadvantaged pupils achieving 5 a-c* GCSEs and their peers.

- 2.5 It is proving more challenging to make progress towards outcomes in other areas, including achieving immunisation targets. Some programmes of development and redesign are at an early stage and therefore it is too early to assess impact on outcomes, including the childhood obesity action plan in reducing the gap between east and west Merton.
- 2.6 Details of the current position and progress towards each outcome is set out below. Appendix 1 provides further details of outcome metrics.

Outcome 1: Uptake of childhood immunisation is increased:

- 2.7 Uptake of childhood immunisations increased in 2014/15, however there has been a slight decrease in 2015/16 for the outcome indicator MMR2 by age 5. This refers to the percentage of eligible children receiving a 2nd measles, mumps and rubella vaccination by the age of five years. This is one of the most challenging immunisation targets to achieve. It highlights the need to keep a sharp focus on action to improve immunisation reporting and uptake by NHS England and Merton Clinical Commissioning Group (CCG).
- 2.8 Merton Childhood Immunisation Steering Group has been re-established with NHS England, Merton Clinical Commissioning Group, Community services and Public Health and the Merton immunisation action plan is being refreshed in early 2017 for delivery.

An Overview and Scrutiny report with recommendations on improving childhood immunisations was produced and informed the action plan. Action to improve immunisation uptake has included:

- NHS England (NHSE) has visited and advised GP practices on improving performance on childhood immunisations and child flu uptake.
- Public Health England and NHSE have provided training on changes to the immunisations schedule
- Health visitors continue to promote immunisations and sign-posted families.
- Hounslow and Richmond Community Health NHS Trust services have taken contract and mobilised to deliver school age immunisations from Royal Marsden (e.g. delivering HPV (for protection against cervical cancer), School leavers booster, targeted MMR).
- *My Merton* features regular articles encouraging families to take up immunisation.

2.9 Further activity in 2017 will include:

- Strengthening links with children's centres and using them to disseminate information encouraging childhood immunisations uptake.
- NHS England to provide regular updates and data to GP practices through locality meetings to ensure continued focus on childhood immunisations.
- Child Health Information Services (CHIS) reconfiguration and mobilisation of new service. From April 2017 Your Health Care will deliver CHIS services to Merton and a number of other boroughs (a change from current provider, Royal Marsden NHS Trust in April 2017)
- NHS England to explore possibility of cleansing the RiO child health information data to improve quality and remove children who are no longer in Merton
- Further training for GP Practice nurses to be organised (refresher and for new immunisers)
- Continue to use media such as My Merton, Young Merton Together, local partner websites etc. to promote uptake of childhood immunisations

Outcome 2: Waiting time for children and adolescents to mental health services (CAMHS) shortened

- 2.10 Average waiting time for local Tier 3 CAMHS services has been shortened to 3.3 weeks in September 2016 (though there is some expected seasonal variation to this), from over 10 weeks at baseline (2014/15). This has been achieved through the introduction of a local Single Point of Access for CAMHS services, launched in October 2015. However, there is some variance in relation to centralised services and especially neurodevelopmental services, where the average wait time for Autistic Spectrum Disorder Assessment/Diagnosis is considerably longer with some families currently having to wait in excess of 18 weeks. Commissioners (including Merton CCG) across the sector have given additional funding to eradicate this waiting list by the end of March 2017 and are in discussions with the CAMH Provider (South West London St. Georges Mental Health Trust) about a new service model from April 2017.

- 2.11 A comprehensive Health Needs Assessment and Service Review was undertaken in summer 2015 and updated in autumn 2016 to support the development of the 2017/18 CAMHS Transformation Plan and investment of an additional £373,000 funding, as part of the Government 'Five Year Forward View 2015-2020'. The Merton CAMH Strategy 2015-18 is in place and this informed Year 1 and Year 2 CAMH Transformation action plans which were ratified and funded by NHS England. The 2017/18 action plans are in development and will take forward the work already underway in 2016/17.
- 2.12 Areas for transformation include improving access to CAMHs, earlier intervention, support for our most vulnerable children and young people and workforce development. Activity has included:
- Investment made into Eating Disorder Services to become compliant with the national waiting time standards and guidance by 2020.
 - Further investment has been made into liaison nursing and work is underway to ensure we fully comply with the Crisis Care Concordat and that young people who may experience mental health crisis can swiftly and easily get the help that they need.
 - Investment made into CAMH support for children who have been sexually assaulted.
 - Work is underway to develop an improved pathway for children over the age of 5 years with social and communication issues to ensure that they get swift and easy access to diagnosis and their family have systematic access to support. The pathway will be informed by a number of pilots that have been undertaken during 2016/17.
 - Training needs analysis undertaken, training commissioned, specifically for schools and social workers and a broader training plan has been developed to ensure our programme of training increases the knowledge and skills of our wider workforce, builds capacity to improve the emotional well being of our children and young people and supports the improved experience of those children and young people that require a CAMH service.
 - A CAMH Conference was held in January 2016 and the first CAMH Networking event in November 2016. This event which focused on young people and self-harm was attended by over 50 people from a range of professional backgrounds and 95% evaluated the session as 'useful' or 'extremely useful'. The purpose of the networking events is to enable learning and peer support through a combination of presentations, case studies, discussions and networking around a specific topic. The Networks will be held three times per year.

Outcome 3: Childhood obesity is reduced

- 2.13 The target set in the Health and Wellbeing Strategy for reducing the overall level of overweight and obesity at age 10-11 years has been achieved, however it is estimated that 4,500 children aged 4-11 years are overweight or obese – equivalent to 150 primary school classes. One in five children entering Reception year are overweight or obese and this increases to one in three children leaving primary school in Year 6.
- 2.14 The target set for reducing the gap in overweight and obesity between the east and west of the borough has not been achieved and is widening for both Reception and

Year 6, and is nearly 10% in Year 6. In response to this a new target has been agreed as part of the approach to be London's Best Council by 2020:

- Halt and then reduce the gap in childhood obesity between the east and west of the borough, by improving in the east (levelling up).

2.15 The Annual Public Health Report (APHR) of the Director of Public Health 2016-17 will set out the challenge of childhood obesity in Merton and is a call to action to partners to work together on the solutions. It brings together data and information from a range of sources and provides evidence about what works as well as examples of action to tackle obesity at the population, community and individual levels, and provides a local reference and resource to support our joint effort. The report will be published in February 2017.

2.16 A Childhood Obesity Peer Review was undertaken in February 2016 as part of a pan-London programme. A new approach to childhood obesity is being developed with a focus on a 'whole systems' framework, which addresses the underlying environmental causes of childhood obesity - including food and physical environment. A comprehensive child healthy weight action plan has been developed and steering group established following recommendations from the peer review. The action plan focuses on 4 themes:

- Leadership, communication and engagement
- Food environment – increasing availability of healthy food
- Physical environment – increasing levels of physical activity and health promoting physical environment
- Early Years and school aged settings and pathways

2.17 The child healthy weight action plan is based on delivery within existing resources by embedding it within council business; by making better use of external resources and by leveraging in additional funding from other sources.

2.18 The council is well placed to embed action to tackle childhood obesity across its business, for example, by identifying opportunities to add value to existing services and contracts, promoting active travel and helping front line staff to engage with service users and residents about food and physical activity.

2.19 Work is already taking place across the borough to tackle childhood obesity and examples underway include:

- Pan London Great Weight Debate survey actively promoted – Merton had more responses than any other London borough.
- HENRY (Health, Exercise & Nutrition for the Really Young) training delivered in Children's Centres
- A targeted Healthy Schools programme in the east of the Borough which supported healthy eating, food growing and physical activity in 20 schools has been completed.
- 23 Schools have now registered with the pan London Healthy Schools programme.
- Adding value to the Primary School Meals contract, such as nutrition and healthy eating training and planned reductions in sugar content.

- Rolling out of the 'Daily mile' in Lonesome primary school.
- Healthy Catering Commitment has been taken up by local businesses.
- Introducing healthy vending machines in leisure centres
- 'Sports Blast' activities in the east of the borough.
- Promoting leisure centres to young people through an enhanced 'junior offer'.

2.20 It is recommended that the Children and Young People Scrutiny Panel support and champion action to tackle childhood obesity. Going forward actions identified in the child healthy weight action plan where leadership from the council will have most impact include:

- Support consideration to signing up to the Local Government declaration on Healthier Food and Sugar Reduction.
- Use 'Health in all Policies' programme approach to embed action on childhood obesity within Council business.
- Further promote Healthier Catering Commitment with local businesses and fast food retailers in the east of the borough.
- Explore healthier catering pledges for all council venues and events and build into contracts.
- Support development of a Food poverty action plan
- Undertake health impact assessments as part of major developments, including estates and Morden leisure centre, to identify opportunities to promote physical activity and access to healthy affordable food.
- Promote and encourage School travel plans, London Healthy Schools programme, enhanced sport in schools through the 'School Sport Premium' and roll out of 'Daily mile'.
- Explore opportunities to increase family physical activity in parks, especially in the east of the borough.
- Promote ongoing engagement with key borough partners such as AFC Wimbledon and All England Lawn Tennis Club.
- Support communication, promote staff champions and engage with residents.

Outcome 4: Educational achievement gap in children eligible for pupil premium is reduced

- 2.21 The Schools Standards report for academic year 2015/16 will be published in February 2017. It is anticipated that this will show a further decrease in the gap in educational achievement. This has been achieved by focusing on improvement in schools, including on the targeted and effective use of pupil premium. Overall 92% of Merton schools are judged to be good or better as at December 2016; this is an improvement from 89% in 2015 and 81% in 2014.
- 2.22 At the end of KS1, the gap between disadvantaged pupils and their peers has narrowed in reading, writing and mathematics, although the gaps are wider than those seen in London. At the end of KS2, 72% of disadvantaged pupils achieved level 4 and above in reading, writing and maths, compared to 86% of all other pupils, this is a 14% gap. This gap is in line with the national average gap of 15% but higher than the London gap of 10%.

- 2.23 2015 data shows a gap of 23% between disadvantaged pupils (45%) achieving 5 A*-C including English and mathematics at GCSE and their all other pupils groups (68%). This is higher than the gap London (21%), but lower than national (28%). Merton has reduced the gap from 2013 (24%).

Outcome 5: The proportion of children ready for school is increased

- 2.24 The gap between the percentage of pupils in receipt of free school meals achieving a good level of development has reduced. In 2015 55% of FSM children achieved a good level of development compared to 69% of all other pupils (14% gap). Nationally, the gap is wider at 18 percentage points. The performance for all children has increased and the gap between FSM and all other children has reduced from 2013, where 33% of FSM children achieved GLD compared to 48% of all others children (15% gap).
- 2.25 Overall the proportion of children eligible for Free School Meals (FSM) achieving a good level of development (GLD) in early years has increased by 22 percentage points from 33% in 2013 to 55% in 2015.
- 2.26 The focus is on reducing the gap by levelling up. Locally the 'Narrowing the Gap' project has provided support to 15 targeted schools to improve performance on good level of development (GLD) at early years. Of these 15 targeted schools, twelve improved their proportions of pupils achieving the GLD, with the mean improvement being 12 percentage points (above the LA rate of improvement).
- 2.27 Other activity includes:
- The roll out of the free 2 year old nursery places offer to disadvantaged groups; delivering free child care places to 1007 individual children (taking up places between April 2015 and March 2016).
 - Worked with PVI sector to secure 97% of all 2 year places are taken up in Ofsted rated good or above settings (April 2015 – March 2016).
 - Targeted the uptake of Children's Centre services to families from deprived areas in the borough, now making up 72% of all users (April 2015 – March 2016).
 - Pathways across Children's Centres, Family Support, Health Visiting, and other health services are being developed through Early Years Partnership, building on existing good practice.
 - A revised level of support was created in early years settings and Children's Centres to support families with specific needs, including the early identification of SEN including speech and language difficulties.
 - Work is underway to develop an improved pathway for children under 5 years with social and communication difficulties to ensure swift and easy access to diagnosis and support.

Focus on Community Health Services for Children

- 2.28 Since April 2016 community health services for children and young people in Merton have been provided by Central London Community Health (CLCH) NHS Trust. Services are co-commissioned in partnership with Merton Clinical Commissioning Group (MCCG) and include:
- 0-19 Health Child Services: Health Visiting services, Family Nurse Partnership for teenage parents and School Nursing services – co-commissioned by LB Merton.
 - Children's Community Therapy and Specialist Healthcare Support and Co-ordination, including Occupational Therapy, Physiotherapy, Speech and Language Therapy, Dietetics, Nurses in Special Schools and EHCP Team –co-commissioned by MCCG.
 - Specialist Nursing for Children Looked After, Care Leavers and the Multi-Agency Safeguarding Hub (MASH)-co-commissioned by MCCG
- 2.29 In the first nine months of the contract the focus has been on mobilisation and service development and redesign in order to improve services for children and families. Key performance targets and progress against a range of service development improvement plans are rigorously monitored in partnership with Merton Clinical Commissioning Group.
- 2.30 This update focuses on the Healthy Child 0-19 services specification, which is based on a national '4, 5, 6' approach for health visiting and school nursing (See Appendix 2. for details). The integrated service model contributes to the delivery of priorities in the Health and Wellbeing Strategy, including:
- promoting the uptake of childhood and school age immunisations and signposting parents;
 - supporting mental health of mothers at antenatal and postnatal period, through use of maternal mood assessment;
 - providing support on infant feeding, breastfeeding, weaning, and healthy weight to parents and young people; delivering the mandated National Child Measurement Programme in Reception and Year 6;
 - supporting school attendance through school nursing services, including targeted support for children missing from education and youth offending;
 - supporting school readiness, including assessing healthy child development through 2 ½ year health checks ages and stages questionnaire (ASQ) and providing family support.
- 2.31 CLCH inherited services which required significant redesign to meet the new service specification and progress has included:

- Improving performance of the 5 mandated 0-5 year health checks, including 98% of New Birth visits now taking place within the recommended 14 days (October 2016).
- Co-locating services within Merton's children's centres, as a first step on our journey to providing more integrated, flexible services.
- Successful recruitment of clinical staff, having inherited significant vacancies.
- Introducing mobile working to create efficiency and maximise client facing time and flexibility.
- Improving transition between 0-5 and 5-19 services for those with higher levels of need
- Establishing effective GP liaison with defined standards
- Strengthening safeguarding arrangements and training for staff
- Developing service user experience feedback

Further service development and improvement will focus on:

- Achieving targets for all mandated checks for 0-5 year olds
- Closer liaison with all schools and school level service agreements
- Antenatal and perinatal pathway development
- Information sharing agreements
- Improved information management and reconfiguration of IT systems

Colleagues from the CLCH Trust will be in attendance at the panel for this item to respond to any comments or queries panel members may have.

3. ALTERNATIVE OPTIONS

3.1 None

4. CONSULTATION UNDERTAKEN OR PROPOSED

4.1 The Health and Wellbeing Strategy was developed in consultation with partners and stakeholders. Engagement with service users and their families is undertaken at a service level. Engagement work with young people on child healthy weight following the London Great Weight Debate will take place in 2017

5. TIMETABLE

5.1 The Health and Wellbeing Strategy is from 2015/16 to 2017/18. Progress against delivery is monitored by the children's Trust Board throughout the year and the Health and Wellbeing Board receives an annual report.

6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 The delivery of priorities set out in the Health and Wellbeing Strategy are based on individual agency plans, strategies and resources.

7. LEGAL AND STATUTORY IMPLICATIONS

7.1 Health and Wellbeing Boards (HWBs) were introduced as statutory committees of all upper-tier local authorities under the *Health and Social Care Act 2012* HWBs, which came fully into effect on 1 April 2013. It is the responsibility of the Board to

produce a Joint Health and Wellbeing Strategy setting out joint priorities for local commissioning.

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 The delivery of the Health and Wellbeing Strategy will contribute to reducing health inequalities in the borough.

9. CRIME AND DISORDER IMPLICATIONS

9.1 N/A

10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1 N/A

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

- Appendix 1: Health and Wellbeing Strategy Priority 1: Best start – Outcome indicators
- Appendix 2: Healthy child Programme ‘4, 5, 6’ approach for health visiting and school nursing

12. BACKGROUND PAPERS

12.1 MERTON HEALTH AND WELLBEING STRATEGY 2015/16-2017/18

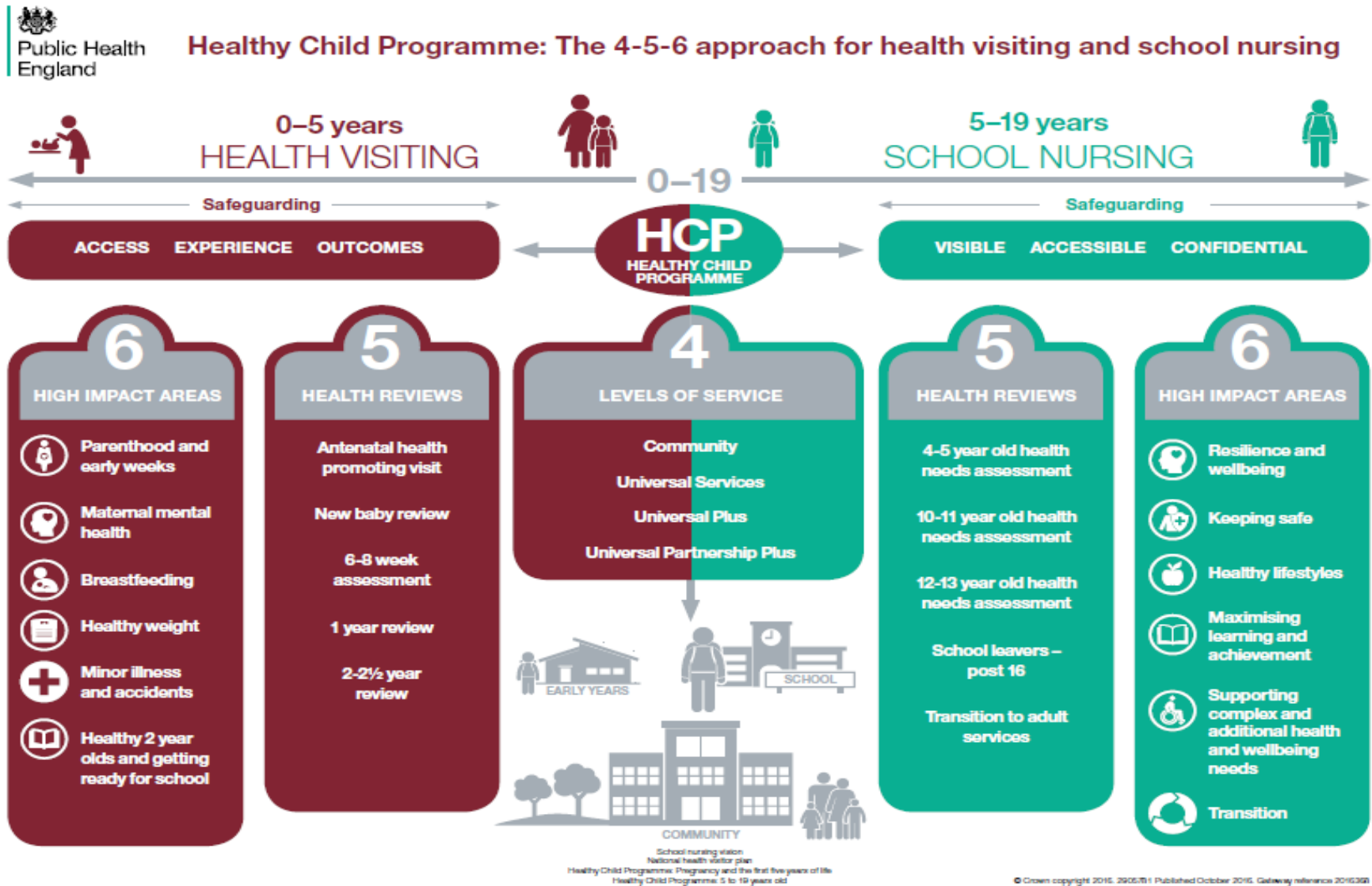
<https://www.merton.gov.uk/merton-health-and-wellbeing-strategy-web.pdf>

APPENDIX 1: Health and Wellbeing Strategy Priority 1: Best start – Outcome indicators

Outcome Indicator	Baseline	Current	HWBS Target	RAG rating	Commentary
					Is this positive /negative etc (making reference to benchmarking London /national if relevant)
Immunisation - MMR2 at 5 years	72.2% 2013/14	80.4% (2014/15) 80% (2015/16)	87.6% (2018) National target 95%		MMR2 has increased from 72.2% baseline in 2013/14 to 80.4% in 2014/15. However in 2015/16 there has been a slight decrease to 80% (lower than London – 81.7% and England – 88.2%). This will be a challenging target to meet. The updated childhood Immunisation Action Plan and steering group, will progress work towards reaching target in 2017/18.
Integrated CAMHS pathways in place, reduced waiting times from referral	Baseline wait times >10 weeks No CAMHS Strategy	CAMH Strategy and Transformation Plans in place. Average wait time for local Tier 3 service is 3.3 weeks (Aug 16)	Integrated CAMHS pathways embedded and average waiting times from referral < 5 weeks		The introduction of the Single Point of Access (Oct 15) has had a positive impact on wait times locally. However, there is some variance in relation to centralised services and especially neurodevelopmental services where the average wait time is being reported as 8 weeks.
Excess weight (overweight and obesity) in 10-11 year olds	36.4% 2013/14	34.7% (2015/16)	35.7%		Excess weight refers to those that are obese and overweight. Excess weight in 10-11 year olds in Merton has been lower than the London average for the last 7 years, and there are signs that the trend in excess weight is beginning to decrease. The target set reflected the aim to halt and then begin to reduce this upward trend. Data for 2015/16 shows a reduction in excess weight at age 10/11 years since 2013/14 and met the H&W target. However, there is a gain of 15.9% between level of excess at age 4-5 years (18.8%) and 10-11 years (34.7%)
Gap between % of 10-11 year olds with obesity weight between east and west Merton	6.2% gap 2010/11- 2012/13	9.2% gap 2012/13-2014/15 Trend in the gap between east and west Merton is increasing: East: 23.6% obese	2015/16 – 17/18 9.2% 2016/17 – 18/19 8% New target proposed		There is a higher rate of obesity in the east of the Borough than the west, linked to deprivation. This is measured using data aggregated over 3 years. The gap is increasing and a new target is proposed: <i>To halt the widening gap in childhood obesity between east and west Merton by 2018 and then reduce this gap by 2020, by improving in the east of the borough (levelling up).</i>

		West: 14.4% obese			Child healthy weight action plan includes focus on whole systems preventative approach, with population wide approaches, but targeted in the east of the borough, focusing on food and physical environment.
Gap in % children achieving 5 GCSE's A-C including English & Maths between pupil premium children and children not eligible for pupil premium	24% (2012/13)	2014/15 - 23%	20%		Data for 2015/16 will be published in the Schools Standards Report in Feb 2017.
Gap between % of pupils in receipt of Free School Meals and their peers achieving a good level of development in early years	15% (2012-13)	2014/15 - 14%	A target was not set because nationally the indicator was due to change.		The Gap between % of pupils in receipt of Free School Meals and their peers achieving a good level of development in early years has reduced between baseline and 2014/15. 2015/16 data is not yet published. The measure has not changed and it is proposed that a target based on the current measure is now set.

APPENDIX 2



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Committee: Children and Young People Overview and Scrutiny Panel

Date: 11 January 2017

Wards: All

Subject: Rapporteur scrutiny review of user voice – scope and terms of reference

Lead officer: Annette Wiles, Scrutiny Officer

Lead member: Councillor Jerome Neil

Contact officer: Annette Wiles; annette.wiles@merton.gov.uk; 020 8545 4035

Recommendations:

- A. That the Children and Young People Overview and Scrutiny Panel agree to a rapporteur scrutiny review of how the voice of children and young people informs policy and frontline practice;
 - B. That the Panel discuss and approve the terms of reference and scope of the rapporteur scrutiny review of user voice as set out in paragraphs 2.1 to 2.6 below; and
 - C. That the Panel appoint Councillor Jerome Neil to conduct this rapporteur scrutiny review on its behalf.
-

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To present the draft terms of reference and scope of the rapporteur scrutiny review of user voice to the Children and Young People Overview and Scrutiny Panel for approval.

2. DETAILS

- 2.1 The Panel recognises that children and young people are at the heart of the services it scrutinises. In order to carry out effective scrutiny, it is recommended that the Panel undertake a rapporteur scrutiny review that will help members understand how children and young people influence policy and frontline practice.
- 2.2 In order that this review is effective, it is recommended that this focus on the voice of looked after children and young people.
- 2.3 Draft terms of reference have been set out below for the consideration by the Panel:
 - To understand how looked after children are supported to express their wishes and feelings;
 - To understand what systems are in place to ensure looked after children are able to participate in decisions about their lives;
 - To understand how looked after children have a voice in the review and development of the arrangements that affect their lives; and
 - To understand how the Panel might routinely hear the views of looked after children to support it in conducting effective scrutiny.

- 2.4 It is anticipated that rapporteur scrutiny review would examine how the voice of looked after children in Merton is heard, analysed and used to inform service policy, frontline practice and arrangements for individual children. The scrutiny rapporteur would question officers, the responsible cabinet member, external experts (such as Keith Makin, the independent chair of the Merton Safeguarding Children Board) and potentially representatives of the looked after community. Much of the work would therefore be done through site visits.
- 2.5 The task group would produce a report for the Panel's meeting in March 2017 so that its findings could inform the Panel's work programme for 2017/18.
- 2.6 Support would be provided by the Scrutiny Officer.
- 3. ALTERNATIVE OPTIONS**
- 3.1 The Children and Young People Overview and Scrutiny Panel can select topics for scrutiny review and for other scrutiny work as it sees fit, taking into account views and suggestions from officers, partner organisations and the public.
- 4. CONSULTATION UNDERTAKEN OR PROPOSED**
- There has been preliminary consultation with officers from the Children, Schools and Families Department. A key element of this work will be to understand how children and young people themselves are consulted.
- 5. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**
- 5.1 None for the purposes of this covering report. Any resource implications will need to be taken into account when drawing up and approving specific review recommendations
- 6. LEGAL AND STATUTORY IMPLICATIONS**
- 6.1 There are none specific to this report.
- 7. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**
- 7.1 There are none specific to this report.
- 8. CRIME AND DISORDER IMPLICATIONS**
- 8.1 There are none specific to this report.
- 9. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**
- 9.1 There are none specific to this report.
- 10. APPENDICES**
- 10.1 None
- 11. BACKGROUND PAPERS**
- 11.1 None

Committee: Children and Young People Overview and Scrutiny Panel

Date: 11 January 2017

Agenda item:

Wards: All wards

Subject: Performance monitoring 2016/17 (November 2016)

Lead officer: Paul Ballatt, Assistant Director of Commissioning, Strategy and Performance, Children Schools and Families

Lead member(s): Councillor Katy Neep; Councillor Caroline Cooper-Marbiah.

Forward Plan reference number: n/a

Contact officer: Naheed Chaudhry, Head of Policy, Planning and Performance.

Recommendations: That the Children and Young People's Overview and Scrutiny Panel;

- A. Discuss and comment on appendix one: November 2016 Performance Index
 - B. Discuss and comment on appendix two: Performance Indicators – Rationale and linkages
 - C. Discuss and comment on two replacement indicators in relation to NEET and Not Known
-

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

- 1.1. To provide the Children and Young People's Overview and Scrutiny Panel with a regular update on the performance of the Children, Schools and Families Department and key partners. Data provided in appendix one is as at the end of November 2016. December data was not complete at the point of publication.

2. **DETAILS**

- 2.1. At a Children and Young People Scrutiny Panel meeting in June 2007 it was agreed that the Children Schools and Families Department would submit a regular performance report on a range of key performance indicators. This performance report acts as a 'health check' for the Panel and as such is over and above the more detailed thematic reports scheduled to the Panel which relate to specific areas of activities such as the annual Schools Standards report, Corporate Parenting Report, MSCB annual report etc.
- 2.2. The Scrutiny performance index is periodically reviewed in line with good performance monitoring practice, most recently in October 2016. It was agreed that the current basket of performance measures presented to the CYP Panel in the index should be retained but that it could evolve gradually if/when needed. It was also agreed that officers would report on other indicators, not in the index, by exception should they have particular concerns or if they wished to report particularly good performance. Officers were asked to provide 'volumes' as well as percentage outturns in order to allow members to gain a sense of scale and relativity, these volume figures have been added for the year to date (see Index, appendix one). It was agreed that measures in the index that remain green will continue to be reported as they continue to be worthy of scrutiny oversight and can

refer to practice that our regulators would expect to be regularly monitored by elected members.

- 2.3. Members also requested that further description be provided in relation to each indicator to help members understand its rationale and purpose. It was noted that the lead performance member is keen to understand and share with the panel the linkages between measures. Officers have responded to this request with detail as presented in appendix two.
- 2.4. **November 2016 Performance**
- 2.5. As at November 2016, no new indicators are underperforming.
- 2.6. The only red indicator on the performance index is a quarterly reported indicator, KPI no. 3: Percentage of new Education, Health and Care plans issued within statutory 20 week timescale (new, including exceptions). Management commentary was provided to the Scrutiny panel in November; As at the end of quarter two 20% of new requests for EHCPs were completed within 20 weeks, below the national benchmark. We have seen a significant increase in new requests for EHCPs, in response to the demand issues we are using SEN Implementation Grant to increase the capacity within the SEND team, reconfiguring roles and streamlining business processes to enable improved performance. During September/October the SEN Team successfully recruited permanent staff to some vacant posts and with the use of the of the SEN Implementation Grant to fund fixed term posts it is anticipated this will alleviate some of the demand pressures and increase our completion timeliness. Alongside responding to new requests for EHCPs, we are managing an ongoing challenging agenda set by central government in relation to the transfer of SEN Statements and Learning Disability Assessments (LDA Section 139A) to EHCPs. In respect of the target to transfer all existing SEN Statements to EHC plans, Merton is currently performing relatively well, ranked 7th in London.
- 2.7. **New Indicator – replacement**
- 2.8. NEET and Not known (indicators reference 32 and 33)
- 2.9. These two indicators are nationally monitored by the DfE; previously both NEET and “not known” were reported in relation to 16 – 18 year olds. From September 2016 the DfE will only monitor the NEET and ‘Not known’ status of 16 and 17 year olds. This policy change is in recognition of the fact that unlike 16- and 17-year-olds, 18-year-olds are not under a legal obligation to participate in education or training. They are under no obligation to make themselves known to the local authority or engage if we make contact with them. 18-year-olds are more mobile and tracking them to ascertain their whereabouts and activity is more difficult as a result – particularly in areas where movement across local authority boundaries is commonplace.
- 2.10. Nationally, most 18-year-olds NEET are already receiving support from elsewhere such as from Jobcentre Plus, or targeted support from specialists. Therefore, it is not justifiable to require all local authorities to use their limited resources to track all 18-year-olds, all of the time. Relieved of this blanket requirement, local authorities are now able to redeploy their resources. 16 and 17 year olds are under a legal duty to participate in education or training. Local authorities have specific statutory responsibilities to ensure that those young people fulfil this duty, and they can only do this by tracking the whole cohort to identify those who are not participating.
- 2.11. Merton new KPIs November outturn;
- 2.12. 1.5% of CYP (16 - 17 year olds) are not in education, employment or training (NEET) this is better than the national average 2.3% and in line with the London 1.4% (Oct 2016), please note that these are proxy benchmarks relating to October

only, the true and most relevant benchmarks for this indicator will be published in February and will be a three month average of Nov, Dec and January.

- 2.13. 7.5% of CYP (16 - 17 year olds) education, employment or training status is 'not known' this is better than the national average 12% and the London 23% (Oct 2016 proxy benchmark, until three month average is published)

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

Appendix 1: CYPP performance index 2016/17 (November 2016)

Appendix 2: Children's Performance Indicators – Rationale and linkages

2. BACKGROUND PAPERS

CSF Performance Management Framework <http://intranet/departments/csf-index/csf-performance.htm>

Appendix 2: Childrens Performance indicators – Rational and linkages

CYP Scrutiny Panel Performance Index

	Performance Indicator	Rationale/Why Important
1	Number of Common and Shared Assessments undertaken (CASA)	This is not a target measure. Numbers of CASAs undertaken is an indicator of early identification of problems/issues for a child. These are assessments undertaken by a wide range of the children's workforce in the context of Merton's Child and Young Person Wellbeing Model. The measure links to a suite of other indicators including numbers of contacts and referrals, single assessments, and CiN Plans.
2	Single Assessments completed within the statutory timeframe	Single Assessments are instigated after consideration of presenting issues by MASH. They are undertaken in order to identify whether or not statutory thresholds for children's social care have been met and statutory services are required. There is a 45 day statutory timescale for completion. The measure links to CASAs; referrals; CiN Plans and Section47 safeguarding investigations.
3	Education, Health and Care Plans (EHCP) completed within the statutory timeframe	In line with Children and Families Act 2014, EHC plans replaced SEN Statements. They result from a multi-dimensional assessment of education, health and care needs. They specify outcomes to be achieved for a child and identify provision to meet those outcomes. There is a 20 week statutory timescale for completion. For the next few years conversion of 'old' SEN Statements and Learning Disability Assessments (LDA Section 139A) to 'new' EHC Plans will also be monitored against national targets.
4	Child Protection Rate per 10,000	This is a prevalence measure which is examined by managers and regulators alongside other rates including CiN and LAC. These provide a proxy for the 'balance' in the child care system. Can also reflect events/issues nationally e.g. media coverage of child abuse enquiries. Rates should be broadly in line with benchmarks, particularly statistical neighbours.
5	Number of Children on Child Protection Plans	Similarly this is not a performance measure but indicates prevalence of need for intensive social care intervention. Also volume of intensive casework and social worker capacity required to fulfil statutory duties. Links to Child Protection Plans for children subject to a CP plan for the second or subsequent time in respect of decisiveness and impact of child protection interventions.
6	Numbers of Family Groups subject of Child Protection Plan	With relatively low numbers of children on Child protection plans the numbers of family groups are monitored as they can have a disproportionate impact on overall percentages etc.
7	Allocated Social Workers Child Protection	It is a statutory requirement that all Child Protection Plan casework is allocated to qualified social workers. This is a proxy for high quality interventions undertaken by qualified practitioners who are subject to national professional standards.
8	Quoracy (Quorate attendance at child protection conferences)	Child protection plans almost invariably require input from a range of professional disciplines and agencies. This is a proxy for appropriate engagement of key agencies e.g. NHS; Police in Child protection planning and delivery.
9	Timeliness of Child protection reviews	There is a national framework of expectations around interventions with children requiring safeguarding (see also above). This measure is a proxy for appropriate management/IRO (Independent Reviewing Officer) oversight of complex casework and decisive social work planning.

10	Child protection visits	As above this demonstrates appropriate contact between a child and the allocated social worker and is, in effect, a minimum standard.
11	Percentage of Children subject of a Child protection plan for the second or subsequent time	If a second child protection plan is required for similar reasons, this could indicate potential lack of impact of earlier Child protection interventions. Often can demonstrate multiple risks/challenges faced by children and families. Prompts enquiry into whether or not other statutory interventions should be/should have been considered.
12	Looked After Children rate per 10,000	As above this is a prevalence measure to be looked at alongside others including CiN/CP rates and should also be, broadly, in line with statistical neighbours.
13	Number of Looked After Children	As above this is compared with appropriate benchmarks and the measure also indicates professional social work capacity and placements/budgets required to fulfil statutory responsibilities.
14	Allocated Social Workers Looked After Children	It is a statutory requirement that all LAC casework is allocated to qualified social workers. This is a proxy for high quality interventions undertaken by qualified practitioners who are subject to national professional standards.
15	Timeliness of Care proceedings	It is imperative to avoid 'drift' in making permanency plans for LAC. Time taken to undertake care proceedings is a proxy for decisive casework and can be looked at alongside timeliness of achieving adoptions. Measure can be affected by issues beyond professional control e.g. court delays.
16	Timeliness of Looked After Children reviews	There are statutory requirements for reviewing the care plans for LAC within set timescales. This measure is a proxy for appropriate management/IRO (Independent Reviewing Officer) oversight of complex casework and decisive social work planning.
17	Percentage of Looked After Children participating in there reviews	In line with best practice and Merton's own User Voice Strategy, LAC of sufficient age and understanding are encouraged to participate in a variety of ways in their own reviews – e.g. attending; chairing; written submissions; use of advocate.
18	Stability of placements, 3+ moves	There are two key measures for placement stability – the numbers of placement moves in a year and the long term stability of placements. Placement stability is a foundation stone for improving outcomes for LAC as it enables consistent relationships between young people and their carers; consistent school placements; a settled context in which young people can develop social networks etc. While some placement moves are 'positive' – eg move to a permanent home; move to withdraw a young person from a risky environment, others occur due to eg breakdown of relationships/behaviour issues etc and should be minimised.
19	Stability of placements, length 2+ years	There are two key measures for placement stability – the numbers of placement moves in a year and the long term stability of placements. The length of placement indicator refers to children under the age of 16 who have been in care for 2 and half years or more and have been in their current placement for 2 years or more. Placement stability is a foundation stone for improving outcomes for LAC as it enables consistent relationships between young people and their carers; consistent school placements; a settled context in which young people can develop social networks etc. While some placement moves are 'positive' – eg move to a permanent home; move to withdraw a young person from a risky environment, others occur due to eg breakdown of relationships/behaviour issues etc and should be minimised.

20	Percentage of Looked After Children in Independent Fostering Agencies	Although placements with foster carers are, almost invariably, the first option to be considered for LAC, a shortage of 'in house' carers i.e. recruited and approved by LB Merton results in placements being commissioned from independent sector providers. These are often profit making organisations, carers are often not local and carers are not supported or managed by Merton services. Also, placements are typically significantly more expensive thus adding to pressure on placement budgets. Our aim is to reduce dependency on IFA placements. This indicator should be reviewed with the numbers of children in care at any given point, the profile of these children and their likely needs and our progress in recruiting In-house foster carers.
21	Number in house carers recruited	In view of the above we have set ambitious targets for increasing the number and range of in-house foster carers.
22	Numbers of Looked After Children, adopted or subject of a Special Guardianship Order	The key aim for looked after children who cannot return to their families of origin is to find alternative permanent families. Numbers of adoptions and Special Guardianship arrangements are, therefore, closely monitored by managers. Central government, from time to time and including the present government, issues policies aimed at increasing the number of children adopted.
23	Percentage of Children's centres graded good or outstanding by Ofsted (overall effectiveness)	Like schools and other children's services, children's centres are subject to regulation from Ofsted. Our ambition is that services provided by LB Merton are at least good or better. This measure is a proxy for the quality of early years provision which is a key enabler of improved outcomes in later childhood.
24	Children's Centre access from children living in deprived areas	Children's centres are, increasingly, targeted services which aim to 'reach' more disadvantaged families, including those from more 'deprived' areas of the borough. High quality early years provision is known to be a particularly important contributor to improved outcomes for disadvantaged children and to narrowing gaps in outcomes in line with Merton's Community Plan.
25	Percentage of Schools graded good or outstanding by Ofsted (overall effectiveness)	Schools are subject to regulation and inspection from Ofsted. Our ambition is that LB Merton schools are at least good or better. This measure, to be considered alongside eg Key Stage results, progress measures, attendance and exclusion data, is a proxy for the quality of Merton's schools provision.
26	Primary Permanent Exclusions	Permanent exclusion can severely disrupt a pupil's education and social networks and exclusion in the primary phase can be particularly damaging to education outcomes in the longer term. The LA has mechanisms in place to both minimise time out of education and to identify alternative provision for pupils who are permanently excluded. The measure needs monitoring even though Merton has not had a permanent exclusion from primary schools for some considerable time.
27	Secondary permanent exclusions	Permanent exclusion can severely disrupt a pupil's education and social networks. It can be extremely challenging to find alternative school/alternative education for pupils excluded in the secondary phase because of the nature of the factors leading to the exclusion. However, the LA has mechanisms in place to both minimise time out of education and to identify alternative provision for pupils who are permanently excluded.
28	Secondary persistent absence	The LA monitors persistent absence in primary, secondary and special school sectors. Persistent absence harms pupils' outcomes but also triggers powers and duties the LA has to ensure pupils' attendance.

29	Percentage of Reception year surplus places	The LA has a statutory duty to provide sufficient suitable school places for children and young people in the borough. The challenge is to have neither an over-supply nor an insufficiency of places. A reasonable level of surplus is required, however, to enable an element of parental choice.
30	Percentage of Secondary school (year 7) surplus places	The LA has a statutory duty to provide sufficient suitable school places for children and young people in the borough. The challenge is to have neither an over-supply nor an insufficiency of places. A reasonable level of surplus is required, however, to enable an element of parental choice.
31	Youth Service Participation	Participation in positive activities and informal educational curriculum provided by or enabled by LBM youth service supports positive outcomes for young people, particularly those from more disadvantaged areas.
32	Percentage of CYP who are Not in Education, Employment or Training (NEETs)	Non-participation in education, employment or training beyond age 16 is a major predictor of long-term unemployment and low income. This indicator should be reviewed alongside the 'Not Known' outturn.
33	Percentage of CYP who's 'Education, Employment or Training'(EET) status is "Not Known".	The EET status of young people can be difficult to ascertain eg once pupils leave Merton's schools. The aim is to have a low number of young people whose EET status is 'not known'. This indicator should be reviewed along side the NEET outturn.
34	First Time Entrants (FTE) in the youth justice system aged 0-17	Offending can be linked to factors such as truancy, low attainment, substance misuse, employability etc and the challenge to the council, schools and partner agencies in a local area is to prevent young people from entering the youth justice system.
35	Re-offending rate by young people in the Youth Justice system	This indicator measures the re-offending of specific cohorts of young people following an initial pre-court or court disposal.
36	Number of families 'turned around' by the local Transforming Families programme (nationally known as Troubled Families)	The national Troubled Families initiative aims to 'turn around' families identified with multiple issues including anti-social behaviour; worklessness; poor school attendance etc. Without effective intervention, these families are particularly likely to require statutory interventions and are potentially the most costly on the public purse.
37	Commissioned services Monitoring	The CSF department commissions some services to be delivered by third parties inc the local community and voluntary sector. It is important that these services are monitored to ensure compliance with service specifications and value for money.

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Children and Young People Overview and Scrutiny Panel - Performance Index 2016/17



No.	Performance Indicators		Target 2016/17	Deviation	Polarity	Benchmarking and trend				BRAG rating	Merton 2016/17 performance														Notes
		Frequency				Merton 2015/16	Merton 2014/15	England	London		Apr-16	May-16	Jun-16 / Q1	Jul-16	Aug-16	Sep-16 / Q2	Oct-16	Nov-16	Dec-16 / Q3	Jan-17	Feb-17	Mar-17 / Q4			
Assessments																									
1	Number of Common and Shared Assessments undertaken (CASAs)	Quarterly	Not a target measure	n/a	n/a	589	443	No benchmarking available	No benchmarking available	Not a target measure			140			242							Quarterly (Time lag in collating CASAs from partner agencies) YTD		
2	% of Single Assessments completed within the statutory 45 days	Monthly	85%	2.5%	High	93%	91%	81% (CIN 2014-15)	80% (CIN 2014-15)	Green	99% (110/111)	94% (210/224)	92% (360/391)	94% (503/538)	93% (641/693)	92% (760/828)	91% (854/942)	89% (945/1063)				Year to Date			
3	% of Education, Health and Care plans issued within statutory 20 week timescale (new, including exceptions)	Monthly	85%	2.5%	High	50%	58% (2015)	56% (2015)	64% (2015)	Red			25% (12/48)			20% (21/105)						Year to Date			
Child protection																									
4	Child Protection Plans rate per 10,000	Monthly	Not a target measure	n/a	n/a	30.0	41.8	42.9 (CIN 2014-15)	40.6 (CIN 2014-15)	Not a target measure	27.7	30.5	31.2	31.2	32.5	32.9	33.8	32.7				Monthly - as at the end of the month			
5	Number of children subject of a Child Protection Plan	Monthly	Not a target measure	n/a	n/a	138	180	No relevant benchmarking available	No relevant benchmarking available	Not a target measure	128	141	144	144	150	152	156	151				Monthly - as at the end of the month			
6	Number of family groups subject of Child protection plans	Monthly	Not a target measure	n/a	n/a	72	84	No relevant benchmarking available	No relevant benchmarking available	Not a target measure	65	74	73	70	73	74	78	72				Monthly - as at the end of the month			
7	% of Children subject of a Child Protection Plan with an allocated Social Worker	Monthly	100%	0%	High	100%	100%	No relevant benchmarking available	No relevant benchmarking available	Green	100% (128/128)	100% (141/141)	100% (144/144)	100% (144/144)	100% (150/150)	100% (152/152)	97% (152/156)	100% (151/151)				Monthly - as at the end of the month			
8	% of quorate attendance at child protection conferences	Quarterly	Not a target measure	n/a	High	100%	91%	No relevant benchmarking available	No relevant benchmarking available	Not a target measure			97% (30/31)			DNA						Quarterly			
9	% of reviews completed within timescale for Children with Child Protection Plans	Monthly	Not a target measure	n/a	High	100%	93%	94.0% (CIN 2014-15)	95.7% (CIN 2014-15)	Not a target measure	100% (16/16)	100% (46/46)	100% (73/73)	100% (81/81)	100% (92/92)	95% (98/103)	94% (102/109)	93% (92/99)				Year To Date (NI 67)			
10	% of Children subject of a CP Plan who had a 4 weekly CP visit within timescales in the month	Monthly	Not a target measure	n/a	High	94%		No relevant benchmarking available	No relevant benchmarking available	Not a target measure	95% (116/122)	91% (116/128)	92% (110/120)	96% (132/137)	86% (119/138)	89% (118/132)	90% (138/154)	95% (138/146)				Monthly - as at the end of the month - (reporting activities)			
11	% of Children that became the subject of a Child Protection Plan in the second or subsequent time	Monthly	16%	20%	Low	24%	17%	17% (CIN 2014-15)	14% (CIN 2014-15)	Green	17% (1/6)	14% (3/21)	7% (3/46)	5% (3/64)	4% (3/78)	11% (11/99)	16% (18/114)	15% (20/132)				Year To Date (NI 65)			
Looked After Children																									
12	Looked After Children rate per 10,000	Monthly	Not a target measure	n/a	n/a	36	34	60 (903 2014-15)	52 (903 2014-15)	Not a target measure	34.6	34.8	36.1	36.4	33.5	32.7	33.8	34.8				End of the month snapshot			
13	Number of Looked After Children	Monthly	Not a target measure	n/a	n/a	164	157	No relevant benchmarking available	No relevant benchmarking available	Not a target measure	160	161	167	168	155	151	156	161				End of the month snapshot			
14	% of Looked After Children with an allocated Social Worker	Monthly	Not a target measure	n/a	High	100%	100%	No relevant benchmarking available	No relevant benchmarking available	Not a target measure	100% (160/160)	100% (161/161)	100% (167/167)	100% (168/168)	100% (155/155)	100% (151/151)	100% (156/156)	100% (161/161)				Year to Date			
15	Average number of weeks taken to complete Care proceedings against a national target of 26 weeks	Quarterly	35 weeks	8%	Low	38 weeks (30 weeks vernal)	24	30	No relevant benchmarking available	Green			18			28						Quarterly			
16	% of Looked After Children cases which were reviewed within required timescales	Monthly	Not a target measure	n/a	High	97%	95%	Not published	Not published	Not a target measure	100% (30/30)	96% (64/67)	99% (94/95)	98% (123/126)	96% (130/135)	97% (142/147)	97% (143/148)	95% (143/151)				Year To Date (NI 66)			
17	% of Looked After Children participating in their reviews in month	Monthly	Not a target measure	n/a	High	90%	66%	No relevant benchmarking available	No relevant benchmarking available	Not a target measure	100% (26/26)	98% (60/61)	100% (84/84)	99% (115/116)	100% (123/123)	98% (133/136)	99% (135/137)	99% (134/136)				Year to Date			
18	Stability of placements of Looked After Children - number of moves (3 moves or more in the year)	Monthly	12%	n/a	Low	12%	14%	11% (903 2014-15)	No relevant benchmarking available	Green	0% (0/161)	0.6% (1/161)	1.2% (2/167)	4.2% (7/168)	7.1% (11/155)	8.6% (13/151)	10.3% (16/156)	10.6% (17/161)				Year To Date (NI 62)			
19	Stability of placements of Looked After Children - length of placement	Monthly	68%	n/a	High	68%	46%	74% (903 2014-15)	No relevant benchmarking available	Green	74% (23/31)	77% (24/31)	80% (24/30)	80% (24/30)	80% (24/30)	75% (21/28)	71% (20/28)	76% (25/33)				End of the month snapshot (NI 63)			
20	% of Looked After Children placed with agency foster carers	Quarterly	42%	12%	Low	37%	42%	39% (903 2014-15)	No relevant benchmarking available	Green			38% (42/111)			46% (45/99)						Quarterly			
21	Number of in-house foster carers recruited	Quarterly	15	2	High	13	10	No relevant benchmarking available	No relevant benchmarking available	Green			4			6						Year to Date			
22	Number of Looked After Children who were adopted and agency Special Guardianship Orders granted	Monthly	13	34% 1cyp	High	13	16	No relevant benchmarking available	No relevant benchmarking available	Green	3	3	3	4	5	8	8	8				Year to Date			

No.	Performance Indicators		Target 2016/17	Deviation	Polarity	Benchmarking and trend				BRAG rating	Merton 2016/17 performance														Notes
		Frequency				Merton 2015/16	Merton 2014/15	England	London		Apr-16	May-16	Jun-16 / Q1	Jul-16	Aug-16	Sep-16 / Q2	Oct-16	Nov-16	Dec-16 / Q3	Jan-17	Feb-17	Mar-17 / Q4			
Childrens Centres and Schools																									
23	% outcome of all Children Centre Ofsted inspections good or outstanding (overall effectiveness)	Quarterly	100%	0%	High	100%	100%	66%	72%	Green			100% (5/5)			100% (5/5)							Year to Date. National and London Comparitors as at 31/08/2015.		
24	% of total 0-5 year estimated Census 2011 population from areas of deprivation (IDACI 30%) whose families have accessed children's centre services	Quarterly	75% (19% per Quarter)	n/a	High	72%	78%	No relevant benchmarking available	No relevant benchmarking available	Green			34% (1813 of 5285)			48% (2514 of 5285)							Year to Date Cumulates (Target 19% per quarter)		
25	% outcome of School Ofsted inspections good or outstanding (overall effectiveness)	Quarterly	91%	2.5%	High	89%	85%	85%	89%	Green			91% (48/53)			92% (48/52)							Year to Date. National and London Comparitors as at 31/12/2015.		
26	Number of Primary permanent exclusions (Number YTD Academic year)	Monthly	0	1cyp	Low	0	0 (Academic Year 2013-2014)	n/a	n/a	Green	0	0	0	0	0	0	0	0					August End of Acad. Yr. YTD (August data interim until November). September start of the new Acad. Yr.		
27	Number of Secondary permanent exclusions (Number YTD Academic year)	Monthly	19	4cyp per quarter	Low	9	7 (Academic Year 2013-2014)	n/a	n/a	Green	12	16	17	17	17	0	0	0					August End of Acad. Yr. YTD. September start of the new Acad. Yr.		
28	% of Secondary persistent absenteeism (15% absence)	Annual	Not a target measure	n/a	Low	4.8% (2015)	4.5% (2014)	5.4% (2015)	4.5% (2015)	Annual measure													Annual Measure 2.5 terms DfE Published SFR maintained and academies		
29	% of Reception year surplus places	Annual	5.5%	n/a	Low	6.2%	1.1%	No relevant benchmarking available	No relevant benchmarking available	Annual measure													Annual measure		
30	% of Secondary school (Year 7) surplus places inc. Academies	Annual	5%	n/a	Low	5.5%	11.3%	No relevant benchmarking available	No relevant benchmarking available	Annual measure													Annual measure		
Young People and Services																									
31	Youth service participation rate	Annual	Not a target measure	n/a	High	3,695	3,234	No relevant benchmarking available	No relevant benchmarking available	Annual measure													Annual Measure		
32	% of CYP (16 - 18 year olds) not in education, employment or training (NEET)	Monthly	4.7%	20%	Low	3.6%	4.3%	7% (2015)	No relevant benchmarking available	Not reported	3.6% (210/ 5969)	3.7% (213/ 5961)	3.8% (219/ 5993)	3.7% (220/ 6025)	3.9% (231/ 6009)	4.1% (243/ 6002)	KPI no longer measured see national replacement below relating to 16 and 17 year olds					Monthly (totals are adjusted)			
33	% of CYP (16 - 18 year olds) education, employment or training status 'not known'	Monthly	Not a target measure	n/a	Low	3.6%	6.6%	9.0%	10.4%	Not a target measure	4.4% (260/ 5969)	3.2% (193/ 5961)	3.4% (206/ 5993)	3.5% (212/ 6025)	2.8% (171/ 6009)	2.3% (141/ 6002)	KPI no longer measured see national replacement below relating to 16 and 17 year olds					Monthly (totals are adjusted)			
32B	% of CYP (16 - 17 year olds) not in education, employment or training (NEET) (new national replaces KPI 32)	Monthly	Not a target measure	n/a	Low	n/a	n/a	Avalible in Feb	Avalible in Feb								1.5%						Monthly (totals are adjusted) - reported a month in arrears		
33B	% of CYP (16 - 17 year olds) education, employment or training status 'not known' (new national replaces KPI 33)	Monthly	Not a target measure	n/a	Low	n/a	n/a	Avalible in Feb	Avalible in Feb								7.5%						Monthly (totals are adjusted) - reported a month in arrears		
34	Number of First Time Entrants (FTEs) to the Youth Justice System aged 10-17	Monthly	70	1cyp	Low	47	60	No relevant benchmarking available	No relevant benchmarking available	Green			12			34							Year to Date		
35	Rate of proven re-offending by young people in the youth justice system	Quarterly	Not a target measure	n/a	Low	0.88	1.05	1.04(2013)	1.10(2013)	Not a target measure			1.54			0.83							Quarterly (NI 19)		
36	TF: Number of Families engaged for year 1 of Expanded Programme	Quarterly	Not a target measure	n/a	High	300	326/370 88%	No relevant benchmarking available	No relevant benchmarking available	Not a target measure			320			320							Quarterly		
37	% of commissioned services for which quarterly monitoring was completed	Quarterly	100%	n/a	High	100%	100%	No relevant benchmarking available	No relevant benchmarking available	Green			100%			100%							Quarterly (Time lag in collating from partner agencies)		

Appendix 2: Childrens Performance indicators – Rational and linkages

CYP Scrutiny Panel Performance Index

	Performance Indicator	Rationale/Why Important
1	Number of Common and Shared Assessments undertaken (CASA)	This is not a target measure. Numbers of CASAs undertaken is an indicator of early identification of problems/issues for a child. These are assessments undertaken by a wide range of the children's workforce in the context of Merton's Child and Young Person Wellbeing Model. The measure links to a suite of other indicators including numbers of contacts and referrals, single assessments, and CiN Plans.
2	Single Assessments completed within the statutory timeframe	Single Assessments are instigated after consideration of presenting issues by MASH. They are undertaken in order to identify whether or not statutory thresholds for children's social care have been met and statutory services are required. There is a 45 day statutory timescale for completion. The measure links to CASAs; referrals; CiN Plans and Section47 safeguarding investigations.
3	Education, Health and Care Plans (EHCP) completed within the statutory timeframe	In line with Children and Families Act 2014, EHC plans replaced SEN Statements. They result from a multi-dimensional assessment of education, health and care needs. They specify outcomes to be achieved for a child and identify provision to meet those outcomes. There is a 20 week statutory timescale for completion. For the next few years conversion of 'old' SEN Statements and Learning Disability Assessments (LDA Section 139A) to 'new' EHC Plans will also be monitored against national targets.
4	Child Protection Rate per 10,000	This is a prevalence measure which is examined by managers and regulators alongside other rates including CiN and LAC. These provide a proxy for the 'balance' in the child care system. Can also reflect events/issues nationally e.g. media coverage of child abuse enquiries. Rates should be broadly in line with benchmarks, particularly statistical neighbours.
5	Number of Children on Child Protection Plans	Similarly this is not a performance measure but indicates prevalence of need for intensive social care intervention. Also volume of intensive casework and social worker capacity required to fulfil statutory duties. Links to Child Protection Plans for children subject to a CP plan for the second or subsequent time in respect of decisiveness and impact of child protection interventions.
6	Numbers of Family Groups subject of Child Protection Plan	With relatively low numbers of children on Child protection plans the numbers of family groups are monitored as they can have a disproportionate impact on overall percentages etc.
7	Allocated Social Workers Child Protection	It is a statutory requirement that all Child Protection Plan casework is allocated to qualified social workers. This is a proxy for high quality interventions undertaken by qualified practitioners who are subject to national professional standards.
8	Quoracy (Quorate attendance at child protection conferences)	Child protection plans almost invariably require input from a range of professional disciplines and agencies. This is a proxy for appropriate engagement of key agencies e.g. NHS; Police in Child protection planning and delivery.
9	Timeliness of Child protection reviews	There is a national framework of expectations around interventions with children requiring safeguarding (see also above). This measure is a proxy for appropriate management/IRO (Independent Reviewing Officer) oversight of complex casework and decisive social work planning.

10	Child protection visits	As above this demonstrates appropriate contact between a child and the allocated social worker and is, in effect, a minimum standard.
11	Percentage of Children subject of a Child protection plan for the second or subsequent time	If a second child protection plan is required for similar reasons, this could indicate potential lack of impact of earlier Child protection interventions. Often can demonstrate multiple risks/challenges faced by children and families. Prompts enquiry into whether or not other statutory interventions should be/should have been considered.
12	Looked After Children rate per 10,000	As above this is a prevalence measure to be looked at alongside others including CiN/CP rates and should also be, broadly, in line with statistical neighbours.
13	Number of Looked After Children	As above this is compared with appropriate benchmarks and the measure also indicates professional social work capacity and placements/budgets required to fulfil statutory responsibilities.
14	Allocated Social Workers Looked After Children	It is a statutory requirement that all LAC casework is allocated to qualified social workers. This is a proxy for high quality interventions undertaken by qualified practitioners who are subject to national professional standards.
15	Timeliness of Care proceedings	It is imperative to avoid 'drift' in making permanency plans for LAC. Time taken to undertake care proceedings is a proxy for decisive casework and can be looked at alongside timeliness of achieving adoptions. Measure can be affected by issues beyond professional control e.g. court delays.
16	Timeliness of Looked After Children reviews	There are statutory requirements for reviewing the care plans for LAC within set timescales. This measure is a proxy for appropriate management/IRO (Independent Reviewing Officer) oversight of complex casework and decisive social work planning.
17	Percentage of Looked After Children participating in there reviews	In line with best practice and Merton's own User Voice Strategy, LAC of sufficient age and understanding are encouraged to participate in a variety of ways in their own reviews – e.g. attending; chairing; written submissions; use of advocate.
18	Stability of placements, 3+ moves	There are two key measures for placement stability – the numbers of placement moves in a year and the long term stability of placements. Placement stability is a foundation stone for improving outcomes for LAC as it enables consistent relationships between young people and their carers; consistent school placements; a settled context in which young people can develop social networks etc. While some placement moves are 'positive' – eg move to a permanent home; move to withdraw a young person from a risky environment, others occur due to eg breakdown of relationships/behaviour issues etc and should be minimised.
19	Stability of placements, length 2+ years	There are two key measures for placement stability – the numbers of placement moves in a year and the long term stability of placements. The length of placement indicator refers to children under the age of 16 who have been in care for 2 and half years or more and have been in their current placement for 2 years or more. Placement stability is a foundation stone for improving outcomes for LAC as it enables consistent relationships between young people and their carers; consistent school placements; a settled context in which young people can develop social networks etc. While some placement moves are 'positive' – eg move to a permanent home; move to withdraw a young person from a risky environment, others occur due to eg breakdown of relationships/behaviour issues etc and should be minimised.

20	Percentage of Looked After Children in Independent Fostering Agencies	Although placements with foster carers are, almost invariably, the first option to be considered for LAC, a shortage of 'in house' carers i.e. recruited and approved by LB Merton results in placements being commissioned from independent sector providers. These are often profit making organisations, carers are often not local and carers are not supported or managed by Merton services. Also, placements are typically significantly more expensive thus adding to pressure on placement budgets. Our aim is to reduce dependency on IFA placements. This indicator should be reviewed with the numbers of children in care at any given point, the profile of these children and their likely needs and our progress in recruiting In-house foster carers.
21	Number in house carers recruited	In view of the above we have set ambitious targets for increasing the number and range of in-house foster carers.
22	Numbers of Looked After Children, adopted or subject of a Special Guardianship Order	The key aim for looked after children who cannot return to their families of origin is to find alternative permanent families. Numbers of adoptions and Special Guardianship arrangements are, therefore, closely monitored by managers. Central government, from time to time and including the present government, issues policies aimed at increasing the number of children adopted.
23	Percentage of Children's centres graded good or outstanding by Ofsted (overall effectiveness)	Like schools and other children's services, children's centres are subject to regulation from Ofsted. Our ambition is that services provided by LB Merton are at least good or better. This measure is a proxy for the quality of early years provision which is a key enabler of improved outcomes in later childhood.
24	Children's Centre access from children living in deprived areas	Children's centres are, increasingly, targeted services which aim to 'reach' more disadvantaged families, including those from more 'deprived' areas of the borough. High quality early years provision is known to be a particularly important contributor to improved outcomes for disadvantaged children and to narrowing gaps in outcomes in line with Merton's Community Plan.
25	Percentage of Schools graded good or outstanding by Ofsted (overall effectiveness)	Schools are subject to regulation and inspection from Ofsted. Our ambition is that LB Merton schools are at least good or better. This measure, to be considered alongside eg Key Stage results, progress measures, attendance and exclusion data, is a proxy for the quality of Merton's schools provision.
26	Primary Permanent Exclusions	Permanent exclusion can severely disrupt a pupil's education and social networks and exclusion in the primary phase can be particularly damaging to education outcomes in the longer term. The LA has mechanisms in place to both minimise time out of education and to identify alternative provision for pupils who are permanently excluded. The measure needs monitoring even though Merton has not had a permanent exclusion from primary schools for some considerable time.
27	Secondary permanent exclusions	Permanent exclusion can severely disrupt a pupil's education and social networks. It can be extremely challenging to find alternative school/alternative education for pupils excluded in the secondary phase because of the nature of the factors leading to the exclusion. However, the LA has mechanisms in place to both minimise time out of education and to identify alternative provision for pupils who are permanently excluded.
28	Secondary persistent absence	The LA monitors persistent absence in primary, secondary and special school sectors. Persistent absence harms pupils' outcomes but also triggers powers and duties the LA has to ensure pupils' attendance.

29	Percentage of Reception year surplus places	The LA has a statutory duty to provide sufficient suitable school places for children and young people in the borough. The challenge is to have neither an over-supply nor an insufficiency of places. A reasonable level of surplus is required, however, to enable an element of parental choice.
30	Percentage of Secondary school (year 7) surplus places	The LA has a statutory duty to provide sufficient suitable school places for children and young people in the borough. The challenge is to have neither an over-supply nor an insufficiency of places. A reasonable level of surplus is required, however, to enable an element of parental choice.
31	Youth Service Participation	Participation in positive activities and informal educational curriculum provided by or enabled by LBM youth service supports positive outcomes for young people, particularly those from more disadvantaged areas.
32	Percentage of CYP who are Not in Education, Employment or Training (NEETs)	Non-participation in education, employment or training beyond age 16 is a major predictor of long-term unemployment and low income. This indicator should be reviewed alongside the 'Not Known' outturn.
33	Percentage of CYP who's 'Education, Employment or Training'(EET) status is "Not Known".	The EET status of young people can be difficult to ascertain eg once pupils leave Merton's schools. The aim is to have a low number of young people whose EET status is 'not known'. This indicator should be reviewed along side the NEET outturn.
34	First Time Entrants (FTE) in the youth justice system aged 0-17	Offending can be linked to factors such as truancy, low attainment, substance misuse, employability etc and the challenge to the council, schools and partner agencies in a local area is to prevent young people from entering the youth justice system.
35	Re-offending rate by young people in the Youth Justice system	This indicator measures the re-offending of specific cohorts of young people following an initial pre-court or court disposal.
36	Number of families 'turned around' by the local Transforming Families programme (nationally known as Troubled Families)	The national Troubled Families initiative aims to 'turn around' families identified with multiple issues including anti-social behaviour; worklessness; poor school attendance etc. Without effective intervention, these families are particularly likely to require statutory interventions and are potentially the most costly on the public purse.
37	Commissioned services Monitoring	The CSF department commissions some services to be delivered by third parties inc the local community and voluntary sector. It is important that these services are monitored to ensure compliance with service specifications and value for money.

Committee: Children and Young People Overview and Scrutiny Panel

Date: 11th January 2017

Agenda item:

Wards: All

Subject: Update on Developments Affecting Children, Schools and Families Department

Lead officer: Yvette Stanley, Director of Children, Schools and Families Dept

Lead members: Cllr Katy Neep, Cllr Caroline Cooper-Marbiah

Forward Plan reference number: N/A

Contact officer: Paul Ballatt, Assistant Director, Commissioning, Strategy and Performance

Recommendations:

A. Members of the panel discuss and comment on the contents of the report.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The report provides members of the panel with information on key developments affecting Children, Schools and Families Department since the panel's last meeting in November 2016.

2 DETAILS

- 2.1 Members of the Panel will be aware of the plans for a new secondary Free School in the Wimbledon area to be provided by the Harris Federation. The council has worked closely with central government's Education Funding Agency (EFA) and the Federation to support the establishment of the school and in November 2016 was able to announce officially the proposed site on High Path in South Wimbledon.
- 2.2 Assembling a site of sufficient size in an appropriate location has proved extremely challenging and involves:
- The purchase of two sites in the ownership of third parties – Domex and the Elim Church
 - As part of the purchase of the Elim Church site providing the church with new refurbished and extended accommodation on the current Merton Hall site
 - The reprovision of the High Path Adults Day Centre at a refurbished and extended Leyton Road building already owned by the council
 - Agreement to the transfer of a small portion of playing field currently part of the Merton Abbey Primary school in return for a shared use agreement in respect of a multi-use games area to be built as part of the new secondary school and funding to enhance of the primary school's remaining outside space.

- 2.3 Subject to final ministerial 'sign off' and the usual planning permissions needed, it is envisaged that the new school will operate from the High Path site from September 2020. As additional secondary school places will be required from September 2018, the school will operate for an initial two years at the former Adult Education building in Whatley Avenue as has already been announced.
- 2.4 While the final financial arrangements have yet to be confirmed, EFA has committed to funding part of the site purchase costs and all works required for the temporary site, the new school building, and the new accommodation for the Elim Church. EFA has also committed to fund the majority of the refurbishment and extension costs in respect of the adults day centre re-provision at Leyton Road. Other costs remain in negotiation.
- 2.5 The council is required to contribute to the overall costs as the new school will be meeting what is known as 'basic need' for school places in the borough. At this stage it is envisaged that the council's overall contribution to the scheme will be in the region of £7.5 million. This represents good value for money for the council.
- 2.6 Fuller details in respect of the new school can be found at <http://www.merton.gov.uk/learning/schools/moreschoolplaces/harriswimbledon.htm>
- 2.7 A number of Ofsted school inspection reports have been published since the Panel's last meeting. Wimbledon Park Primary School has improved its rating from good to outstanding. The Priory and Links Primary Schools have retained ratings of good. Liberty Primary School, currently rated as requiring improvement, is considered to be taking effective action, with the challenge and support of the local authority, to improve its rating following an HMI monitoring visit in November 2016. Benedict Primary School is considered to require improvement following its first inspection as an academy although leadership and behaviour were rated as good.
- 2.8 Central government has been consulting on fairly radical changes to the national funding formula for schools. An analysis of 'illustrative allocations' undertaken by London Councils suggests that Merton would gain in the region of £5 million from the new formula (likely to be phased in, however) against a background of reduction in London as a whole. A new formula for early years funding is also being introduced with Merton expecting to benefit from in the region of £4 million additional funding in 2017-18. The overwhelming majority of these gains will go directly to schools and settings.
- 2.9 Officers are currently consulting on a restructure within youth services aimed at reducing overall costs while maintaining current volumes of direct delivery of universal youth provision. Members of the panel will be aware of savings taken from these services over recent years and with reduced ongoing council funding available, the department has continued to work with partners to ensure the sustainability of a universal youth service offer in the Eastfields, Pollards Hill and Phipps Bridge areas, supported by income maximisation from s106 receipts and grant from local housing providers. Officers are also working with MVSC and youth organisations with a view to developing a 'youth foundation' approach across the borough to source alternative funding eg through charitable trusts.
- 2.10 Additional funding is being made available by central government to support the ongoing implementation of the SEN reforms introduced through the Children

and Families Act 2014. This funding will enable the continuation of additional capacity introduced into the SENDIS service in the current year to meet the increased demand for Education, Health and Care Plans and also enable the council to undertake a strategic review of local high needs provision. Existing plans for expansion of Perseid and Cricket Green schools are in place, but this review will provide the opportunity to examine the broader high needs of Merton pupils and appropriate provision to meet those needs.

- 2.11 The council has provided central government with data in connection with the annual national census of the social care workforce. As at end September 2016, Merton was employing some 113 permanent social workers, an increase of 12 from the previous year. The turnover rate for these staff (23%) was reduced from the previous year (26%) as was the rate of sickness (1% from 2%). Merton is also now employing the least number of agency social workers (23% as at Sept 2016)) for some years. These figures compare well with London and statistical neighbour benchmarks and demonstrate the positive impact of the department's recruitment and retention strategy for the social work workforce.
- 2.12 Figures published by the London Family Justice Boards show that Merton has continued to improve its performance in respect of the completion of care proceedings for vulnerable children. The average duration of a case in quarters one (18.5 weeks) and two (22.5) of 2016-17 places Merton amongst the best performing councils in London and reflects the ongoing management focus on the timeliness of permanency planning for children.
- 2.13 Members of the panel may be aware of the disappointing recent HMIC report of the Londonwide police response to child protection. Locally, relatively good partnership practice continues with the police service recently allocating more investment to respond to missing children. Locally, we continue to have a strong focus on missing children and all other issues raised in the London-wide report including the numbers of children made subject to police protection; use of custody; and jointly responding to young people vulnerable to child sexual exploitation. We continue to work closely at a local level to ensure that practice continues to improve across all these key issues.
- 2.14 MOPAC funding decisions have recently been published. Merton has secured a further two years funding for key posts working with gangs and child sexual exploitation issues.
- 2.15 Despite successfully 'levering in' funds for specific purposes, the department continues to experience significant budget pressures, particularly in respect of placements for looked after children, transport costs for pupils with SEN and costs associated with unaccompanied asylum seeking children and those families with no recourse to public funds. The administration intends to support the department through budget growth of some £2.5 million over the next three years, subject to Full Council ratification of the overall budget.

3. ALTERNATIVE OPTIONS

- 3.1 None for the purposes of this report.

4. CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1 None for the purposes of this report.

5. TIMETABLE

5.1 N/A

6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 No specific implications from this report.

7. LEGAL AND STATUTORY IMPLICATIONS

7.1 No specific implications from this report..

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 No specific implications from this report.

9. CRIME AND DISORDER IMPLICATIONS

9.1 No specific implications from this report.

10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1 No specific implications from this report..

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

11.1 N/A

BACKGROUND PAPERS

12.1 None

Children and Young People Work Programme 2016/17



This table sets out the Children and Young People Overview and Scrutiny Panel work programme for 2016/17; the items listed were agreed by the Panel at its meeting on 29 June 2016. This work programme will be considered at every meeting of the Panel to enable it to respond to issues of concern and incorporate reviews or to comment on 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.

Chair: Cllr Dennis Pearce

Vice-chair: Cllr Linda Taylor

Scrutiny Support

For further information on the work programme of the Sustainable Communities Scrutiny Panel please contact: -

Annette Wiles, Scrutiny Officer

Tel: 020 8545 4035; Email: annette.wiles@merton.gov.uk

For more information about overview and scrutiny at LB Merton, please visit www.merton.gov.uk/scrutiny

Meeting date: 29 June 2016 (*Deadline for papers: 12pm 21 June 2016*)

Theme: setting the work programme			
Item	Purpose/intended outcome	Responsible officer/Member topic lead	External witnesses/representative in attendance
Elected Member and departmental portfolio priorities	Outlining the portfolio priorities of Cabinet Members and officers' service priorities for 2016/17 to inform discussion of the Panel's work programme	Yvette Stanley, Director of Education, Schools and Families (CSF) Cabinet Members for Children's Services (Cllr Katy Neep) and Education (Cllr Caroline Cooper- Marbiah)	
Performance monitoring	<ul style="list-style-type: none"> • Discussion of the existing basket of performance indicators for on-going monitoring; and • Selection of a Panel Member to act as a lead on performance monitoring 	Paul Ballatt, Assistant Director Commissioning, Strategy and Performance, CSF	
Agreeing the Panel's work programme	To agree the Panel's work programme and consider: <ul style="list-style-type: none"> • a thematic approach to the work programme; • appointing topic leads; • getting the best from performance monitoring; • the Panel's use of task groups; • opportunities for pre-decision scrutiny; and • monitoring task group recommendations 	Cllr Dennis Pearce, Panel chair, and Annette Wiles, Scrutiny Officer	
Task group update: routes into employment for vulnerable	Review the progress of the task group	Annette Wiles, Scrutiny Officer	

cohorts			
School provision: new secondary school required site approvals	Pre-decision scrutiny prior to the required site approvals from Cabinet	Paul Ballatt, Assistant Director Commissioning, Strategy and Performance, CSF Cabinet Members for Children's Services (Cllr Katy Neep) and Education (Cllr Caroline Cooper-Marbiah)	

Meeting date: 11 October 2016 (***Deadline for papers:*** 12pm 3 October 2016)

Theme: schools			
Item	Purpose/intended outcome	Responsible officer/Member topic lead	External witnesses/representative in attendance
Matters arising	Report back on the reference to Cabinet and call-in meeting on the site approval for Harris Wimbledon	Cllr Dennis Pearce	
Responsible Cabinet Member review	Update from the responsible Cabinet Members(s). Questions from the Panel	Cabinet Members for Children's Services (Cllr Katy Neep) and Education (Cllr Caroline Cooper-Marbiah)	
School provision	<u>Provision of Sufficient School Places in Merton</u> Following the recent decision in respect of Harris Wimbledon, a review of sufficiency of school places in the borough across primary, secondary and special school provision.	Paul Ballatt, Assistant Director Commissioning, Strategy and Performance, CSF	

	<u>The Changing National Landscape for Education and Merton's Work with Schools in the Borough</u> Merton's work with schools in the context of national Government's developing policy on education, including academisation and grammar schools		
Performance monitoring	Report back from the lead Member for Performance monitoring on the plan for 2016/17.	Cllr Mike Brunt and Paul Ballatt, Assistant Director Commissioning, Strategy and Performance, CSF	
Update report	Update on developments affecting the Children, Schools and Families Department since the last scrutiny Panel meeting. Questions will be taken from Panel members. As agreed at the June meeting, this will include a particular focus on policy changes affecting social workers.	Yvette Stanley, Director of Education, Schools and Families	
Task group update – online strategies in schools task group	<ul style="list-style-type: none"> To enable the Panel to performance manage delivery of the task group's recommendations To appoint a topic lead to champion the work 	Paul Ballatt, Assistant Director Commissioning, Strategy and Performance, CSF	
Task group update: routes into employment for vulnerable cohorts	Verbal update	Annette Wiles, Scrutiny Officer	
Glossary	A glossary of acronyms will be provided to support		

	members (especially those new to CYP).		
Setting the work programme	To amend/agree the Panel's work programme and accommodate any pre-decision or other items that the Panel may wish to consider	Annette Wiles, Scrutiny Officer	

Meeting date: 9 November 2016 (***Deadline for papers:*** 12pm 1 November 2016)

Theme: safeguarding			
Item	Purpose/intended outcome	Responsible officer/Member topic lead	External witnesses/representative in attendance
Responsible Cabinet Member review	Update from the responsible Cabinet Members(s). Questions from the Panel	Cabinet Members for Children's Services (Cllr Katy Neep) and Education (Cllr Caroline Cooper-Marbiah)	
Children, Schools and Families Department budget proposals (Round 1)	To enable the Panel to comment on the budget proposals and any new or revised savings as part of the first round of the process for agreeing the council's budget and business plan The current budget required cost savings to the CSF department. This agenda item also provides the opportunity to understand if this objective is being realised and what impact this is having in terms of service provision	Yvette Stanley, Director of Education, Schools and Families and Zoe Church, Head of Business Planning	
Safeguarding	An in-depth focus on safeguarding for children and young people including the impact of any financial issues, budget cuts and/or deprivation. The report will contain a specific focus on Child Sexual Exploitation, Female Genital Mutilation and Radicalisation.	Cabinet Member for Children's Services (Cllr Katy Neep)	Keith Makin, Merton Safeguarding Children Board Chair Borough Commander

	To help Panel members, the Local Government Association has provided a practical guide for overview and scrutiny councillors on safeguarding children. (Gloucester provides an interesting case study /framework.)		
Performance monitoring	Presentation of any changes to the basket of indicators. Discussion of the CSF Dept's performance based on the indicators. In-depth exploration of one set of indicators.	Cllr Mike Brunt and Paul Ballatt, Assistant Director Commissioning, Strategy and Performance, CSF	
Update report	Update on developments affecting the Children, Schools and Families Department since the last scrutiny Panel meeting. Questions will be taken from Panel members.	Yvette Stanley, Director of Education, Schools and Families	
Setting the work programme	To amend/agree the Panel's work programme and accommodate any pre-decision or other items that the Panel may wish to consider	Annette Wiles, Scrutiny Officer	

Meeting date: 11 January 2017 (***Deadline for papers: 12pm 3 January 2017***)

Theme: budget/health and wellbeing strategies for children and families			
Item	Purpose/intended outcome	Responsible officer/Member topic lead	External witnesses/representative in attendance
Responsible Cabinet Member review	Update from the responsible Cabinet Members(s). Questions from the Panel	Cabinet Member for Education (Cllr Caroline Cooper-Marbiah) Children's Services (Cllr Katy Neep) unavailable	

Children, Schools and Families Department budget proposals (Round 2)	<p>To enable the Panel to consider the Council's budget and business plan proposals and forward any comments/recommendations to the Overview and Scrutiny Commission to compile a scrutiny response on the Budget/Business Plan to Cabinet</p> <p>To include discussion of major projects identified in the CSF draft service plans</p>	Yvette Stanley, Director of Education, Schools and Families and Zoe Church, Head of Business Planning	
Performance monitoring	Discussion of the CSF Dept's performance based on the indicators. In-depth exploration of one set of indicators	Cllr Mike Brunt and Paul Ballatt, Assistant Director Commissioning, Strategy and Performance, CSF	
Update report	Update on developments affecting the Children, Schools and Families Department since the last scrutiny Panel meeting. Questions will be taken from Panel members.	Yvette Stanley, Director of Education, Schools and Families	
Update on health and wellbeing strategies for children and families	In partnership with public health service, look broadly at strategies to support the health and wellbeing of children and young people. Additionally, focus on identified key issues such as childhood obesity. The health and wellbeing of more vulnerable cohorts will also be considered (ie: LAC, care leavers, children with SEND)	Dagmar Zeuner, Director of Public Health	
Task group update: routes into employment for vulnerable cohorts	Verbal update	Annette Wiles, Scrutiny Officer	
Rapporteur scrutiny review	User voice – scope and terms of reference	Councillor Jerome Neil	

Setting the work programme	To amend/agree the Panel's work programme and accommodate any pre-decision or other items that the Panel may wish to consider	Annette Wiles, Scrutiny Officer	
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Meeting date: 8 February 2017 (***Deadline for papers:*** 12pm 31 January 2017)

Theme: schools annual report			
Item	Purpose/intended outcome	Responsible officer/Member topic lead	External witnesses/representative in attendance
Responsible Cabinet Member review	Update from the responsible Cabinet Members(s). Questions from the Panel	Cabinet Members for Children's Services (Cllr Katy Neep) and Education (Cllr Caroline Cooper-Marbiah)	
Performance monitoring	Discussion of the CSF Dept's performance based on the indicators. In-depth exploration of one set of indicators	Cllr Mike Brunt and Paul Ballatt, Assistant Director Commissioning, Strategy and Performance, CSF	
Update report	Update on developments affecting the Children, Schools and Families Department since the last scrutiny Panel meeting. Questions will be taken from Panel members. There will be a focus on a key policy area as agreed by the Panel at its previous meeting	Yvette Stanley, Director of Education, Schools and Families	
Schools annual report	Annual report on attainment and progress of pupils in Merton schools. This will include issues around the shortage of teachers.	Jane McSherry, Assistant Director for Schools	

	During the last municipal year, the Panel agreed to focus on specific cohorts (children with SEND, LAC and Black and Black Caribbean children). Again, the Local Government Association and the Centre for Public Scrutiny have provided guidance on how scrutiny can influence local education and support school leaders to improve results		
Task group update: routes into employment for vulnerable cohorts	Presentation of draft report and recommendations	Annette Wiles, Scrutiny Officer	
Setting the work programme	To amend/agree the Panel's work programme and accommodate any pre-decision or other items that the Panel may wish to consider	Annette Wiles, Scrutiny Officer	

Meeting date: 21 March 2017 (***Deadline for papers: 12pm 13 March 2017***)

Theme: corporate parenting			
Item	Purpose/intended outcome	Responsible officer/Member topic lead	External witnesses/representative in attendance
Responsible Cabinet Member review	Update from the responsible Cabinet Members(s). Questions from the Panel	Cabinet Members for Children's Services (Cllr Katy Neep) and Education (Cllr Caroline Cooper-Marbiah)	
Performance monitoring	Discussion of the CSF Dept's performance based on the indicators. In-depth exploration of one set of	Cllr Mike Brunt and Paul Ballatt, Assistant	

	indicators	Director Commissioning, Strategy and Performance, CSF	
Update report	Update on developments affecting the Children, Schools and Families Department since the last scrutiny Panel meeting. Questions will be taken from Panel members. There will be a focus on a key policy area as agreed by the Panel at its previous meeting	Yvette Stanley, Director of Education, Schools and Families	
Corporate parenting	<p>During the last municipal year, the Panel highlighted several areas on which it wanted to focus during its on-going scrutiny of Merton's corporate parenting:</p> <ul style="list-style-type: none"> • The percentage of children in and leaving care that are NEET; • The changing profile of the LAC population in Merton and the needs for service provision to reflect these changes; • The stability of placements; • Retention of Merton's high quality LAC team; • Increasing recruitment of foster carers that are resident in Merton (especially in the West of the borough) and those willing/able to care for adolescents; • Ensuring the right mix of placements are provided including within a children's home in borough; • Supporting foster carers so they understand the vulnerability and complexity of the children they are looking ; and • Looking in detail at the responses from children who identified themselves as dissatisfied 	<p>Paul Angeli, Assistant Director, Children's Social Care and Youth Inclusion</p> <p>Input from Community and Housing</p>	

	Guidance is provided by the Local Government Association and the Centre for Public Scrutiny. This has already been recommended to and used by Panel members		
Rapporteur scrutiny review	User voice – presentation of findings	Councillor Jerome Neil	
Setting the work programme	To amend/agree the Panel's work programme and accommodate any pre-decision or other items that the Panel may wish to consider	Annette Wiles, Scrutiny Officer	

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