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# Merton Council

## Cabinet Agenda (Budget Meeting)

### Membership

#### Councillors:

Mark Allison (Chair)  
Agatha Mary Akyigyina OBE  
Natasha Irons  
Rebecca Lanning  
Owen Pritchard  
Marsie Skeete  
Eleanor Stringer  
Martin Whelton  
Brenda Fraser

**Date: Monday 7 February 2022**

**Time: 7.15 pm**

**Venue: Council Chamber, Merton Civic Centre, London Road, Morden SM4 5DX**

This is a public meeting and attendance by the public is encouraged and welcomed. For more information about the agenda please contact [democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk) or telephone [0208 545 3357](tel:02085453357).

All Press contacts: [communications@merton.gov.uk](mailto:communications@merton.gov.uk), 020 8545 3181

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## **Cabinet - Budget Agenda**

### **7 February 2022**

1	Apologies for absence	
2	Declarations of pecuniary interest	
3	Minutes of the previous meeting	1 - 6
4	Reference from the Overview and Scrutiny Commission - Scrutiny of the Business Plan 2022-26	7 - 10
5	Business Plan 2022-26	To Follow
6	COVID-19 Additional Relief Fund Scheme	11 - 24
7	Financial Monitoring Report - Period 9 December 2021	25 - 82
8	Merton's climate delivery plan year 2	83 - 168

#### **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. For further advice please speak with the Managing Director, South London Legal Partnership.

# 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](http://www.merton.gov.uk/committee).

## CABINET

17 JANUARY 2022

(7.15 pm - 7.34 pm)

**PRESENT** Councillors Councillor Mark Allison (in the Chair),  
Councillor Rebecca Lanning, Councillor Owen Pritchard and  
Councillor Martin Whelton

**ALSO PRESENT** Councillor Peter Southgate  
Hannah Doody (Chief Executive) and Amy Dumitrescu  
(Democracy Services Manager)

**ATTENDING** Councillor Agatha Akigyina, Councillor Brenda Fraser, Councillor  
**REMOTELY** Natasha Irons and Councillor Eleanor Stringer

Caroline Holland (Director Corporate Services), John Morgan  
(Interim Director Community and Housing), Chris Lee (Director  
Environment and Regeneration), Jane McSherry (Director  
Children Schools and Families), Louise Round (Managing  
Director South London Legal Partnership), Matt Burrows (Head  
of Communications), Tara Butler (Deputy Head Future Merton)  
and Octavia Lamb (Policy and Research Officer – Labour Group)

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Marsie Skeete.  
Councillors Akyigyina, Fraser, Irons and Stringer attended remotely.

### 2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

### 3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

**RESOLVED:** That the minutes of the meeting held on 6 December were agreed as  
an accurate record.

### 4 ADOPTION OF MERTON'S HOUSING DELIVERY STRATEGY (Agenda Item 4)

The Chair began the meeting by paying tribute to the work of former Councillor Tobin  
Byers.

The Cabinet Member for Housing, Regeneration and the Climate Emergency  
presented the report on increasing the supply and quality of new homes. Following  
Cabinet approval in July 2021 to consult on the draft strategy, a public consultation  
had taken place in 2021. The Cabinet Member thanked all those who had responded  
to this. The report had looked at a number of streams including, need, density,

specialist homes and using and improving existing stock. The draft strategy was being introduced in addition to other policies and strategies including the Local Plan, the Climate Strategy and action plan and the Homelessness and Rough Sleeping Strategy.

It was noted that the introduction of a HRA had been extensively examined however was not viable at this stage. The establishment of a Housing Investment Fund was also being investigated.

The Cabinet Member thanked the consultants and staff who had contributed to the report and it was RESOLVED:

1. That Cabinet adopted Merton's Housing Delivery Strategy and action plan.

#### 5 YOUR MERTON (Agenda Item 5)

The Deputy Leader and Cabinet Member for Finance, Performance, Recovery and the Local Economy presented the report requesting approval for the new strategic priorities and framework for the next 8 years. It was noted that further work would be required and requested an annual update to be provided to Council.

The Chair thanked all staff involved and it was RESOLVED:

1. That Cabinet approved the Strategic Framework comprising an ambition for Merton, strategic priorities, guiding principles and delivery objectives as set out in Appendix 1.
2. That Cabinet noted the immediate response to the key themes emerging from the Your Merton engagement as set out in Appendix 2.
3. That Cabinet noted that further work will take place within the council and with partners on the delivery objectives and the plans to deliver on these objectives and that an update will be provided to Cabinet in June 2022.
4. That Cabinet agreed that an annual update will be provided to Full Council on progress and updated plans.
5. That Cabinet agreed the Strategic Framework set out in Appendix 1 will be communicated to residents, businesses and partners, with content, design and communication channels adjusted to reflect the different audiences through the appropriate channels in January 2022.

#### 6 BUSINESS PLAN 2022-26 (Agenda Item 6)

The Deputy Leader and Cabinet Member for Finance, Performance, Recovery and the Local Economy thanked Tobin Byers for his work as the previous Cabinet Member for Finance and presented the report and recommendations. It was noted that further updates were expected in February.

The Director of Corporate Services advised that there were a number of potential changes which were still unconfirmed including details of the final settlement and results of meetings with the DFE in relation to the DSG.

It was noted that the Business Plan was currently going through the Scrutiny process.

RESOLVED:

1. That Cabinet agreed the latest amendments to the draft Capital Programme 2022-2026 and referred them to the Overview and Scrutiny Commission on 20 January 2022 for consideration and comment.
2. That Cabinet noted the details contained in the Provisional Local Government Finance Settlement 2022-26 and the implications for Merton's MTFS as summarised in Appendix 1.
3. That Cabinet considered and approved the Council's draft Capital Strategy and Treasure Management Strategy for 2022/23.

7 FINANCIAL MONITORING REPORT - PERIOD 8 NOVEMBER 2021  
(Agenda Item 7)

The Deputy Leader and Cabinet Member for Finance, Performance, Recovery and the Local Economy presented the report, noting that the outturn variance had increased to £7.358 million, expecting that figures would be updated in the coming months.

The Director of Corporate Services advised that the cost of Covid had marginally reduced due to an improvement in Business rates collection however this was still less than pre-pandemic figures which would affect the MTFS going forward. An update would be included within the February report.

RESOLVED:

- A. That Cabinet note the financial reporting data for month 8, November 2021, relating to revenue budgetary control, showing a forecast net adverse variance at year end on net service expenditure of £5.008m, increasing to £7.358m when corporate and funding items are included, a decrease of £1.177m compared to last month
- B. That CMT note the contents of Section 5 and approve the adjustments to the Capital Programme contained in Appendix 5b and 5d, subject to the receipt of project plans for those schemes where full slippage has been requested That Cabinet note the contents of Section 5, Appendix 5b and 5d of the report and approve the adjustments to the Capital Programme in the Table below:

	Budget 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Narrative
<b>Corporate Services</b>	£	£		£	
Westminster Coroners Court		402,000			Increase in estimate orig. estimate 5 years old
<b>Community and Housing</b>					
Disabled Facilities Grant - General	200,000			(200,000)	Virement to fund projected outturn
Major projects – Social Care H – Learning Disability Aff Housing	(50,000)				2021-22 Budget moved to Rev. for Feas studies
<b>Children, Schools and Families</b>					
Haslemere – Capital Maintenance	(160,000)	160,000			Re-profiled in accordance with projected spend
Harris Morden – Harris Morden Community Sports Pitch	(70,000)	70,000			Re-profiled in accordance with projected spend
Raynes Park – Capital Maintenance	(21,000)	21,000			Re-profiled in accordance with projected spend
Ricards Lodge – Capital Maintenance	(21,610)	21,610			Re-profiled in accordance with projected spend
Rutlish – Capital Maintenance	(20,000)	20,000			Re-profiled in accordance with projected spend
Melrose Whatley Avenue Expansion	(150,000)	150,000			Re-profiled in accordance with projected spend
Melrose School Expansion	252,020				Virement to cover expected outturn
Unallocated SEN Expansion Budget	(20,000)	(232,020)			Virement to cover expected outturn
Youth Provision – Pollards Hill Digital Divide	(160,000)	160,000			Re-profiled in accordance with projected spend

	Budget 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Narrative
<b>Environment and Regeneration</b>					
Off Street Parking - P&D - Car Park	(60,000)	60,000			Re-profiled in accordance with
Highways & Footways - Highway	(684,000)	684,000			Re-profiled in accordance with

Highways & Footways - TfL Principal Roads	(6,600)	0			TfL adjustment to funding
Highways & Footways - Culverts	(488,430)	488,430			Re-profiled in accordance with projected spend
Cycle Route Improvements - Morden	(107,220)	107,220			Re-profiled in accordance with
Cycle Route Improvements - Cycle	(100,000)	100,000			Re-profiled in accordance with
Mitcham Area Regeneration - Elmwood Centre Hub	(65,000)	65,000			Re-profiled in accordance with
Wimbledon Area Regeneration -	(100,000)	0			Virement of SCIL Money to
Wimbledon Area Regeneration - Wimbledon Hill Rd	154,850	0			Utilising SCIL & NCIL Funding
Wimbledon Area Regeneration -	(80,000)	80,000			Re-profiled in accordance with
Morden Area Regeneration - Crown	(75,000)	75,000			Re-profiled in accordance with
Parks Investment - Wimb. Park	(150,440)	150,440			Re-profiled in accordance with
Parks Investment - Wimb. Park Water	(226,000)	226,000			Re-profiled in accordance with
TfL Unallocated Budget	(495,250)				Removal of unawarded Estimated TfL Allocation
<b>Total</b>	<b>(2,703,680)</b>	<b>2,808,680</b>	<b>0</b>	<b>(200,000)</b>	

C. That Cabinet approved the use of £750k from the Your Merton reserve to fund the following projects over the financial years 2021/22 and 2022/23:

Department	Your Merton Project	£
Corporate Services	Communicating our improvements to residents &	125.00
Corporate Services	Cultural improvements to Merton staff and their	140.00
E&R	Don't Mess with Merton	415.00
E&R	Safety of Women and Girls	15.00
CSF	Youth Fund	10.00
CSF	Apprenticeship Coordinator – Vulnerable Groups	45.00
	<b>Total</b>	<b>750.00</b>

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## **Committee: Cabinet**

**Date: 7 February 2022**

**Subject: Reference from the Overview and Scrutiny Commission – Scrutiny of the Business Plan 2022-26**

Lead officer: Rosie Mckeever, Scrutiny Officer

Lead member: Councillor Peter Southgate, Chair, Overview and Scrutiny Commission

Contact officer: Rosie Mckeever, Rosie.Mckeever@merton.gov.uk, 020 8545 4035

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### **Recommendations:**

- A. That Cabinet, in taking decisions relating to the Business Plan 2022-26, take into account the recommendations made by the Overview and Scrutiny Commission (set out in paragraphs 2.7 to 2.12 below) and references from the other Overview and Scrutiny Panels (set out in paragraph 2.4)
- 

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

- 1.1. To inform Cabinet of the recommendations and comments resulting from scrutiny of the Business Plan 2022-26 by the Overview and Scrutiny Commission and Overview and Scrutiny Panels at their meetings in January 2022.

## **2 DETAILS**

- 2.1. Each of the Overview and Scrutiny Panels and the Overview and Scrutiny Commission has examined the budget and business plan proposals relating to the service areas within their remit.
- 2.2. No reference was made to the Commission or Cabinet from the Children and Young People Scrutiny Panel or the Healthier Communities Panel
- 2.3. The Commission RESOLVED (eight votes for, two abstentions) to forward to Cabinet the recommendation made by the Sustainable Communities Overview and Scrutiny Panel (set out in paragraph 2.4)
- 2.4. The Sustainable Communities Panel RESOLVED to recommend Cabinet hold saving ENV2022-23 03, regarding Deen City Farm, on the basis that it is a saving to be made in 2023/24 and in anticipation of finding an alternative saving.
- 2.5. The Overview and Scrutiny Commission discussed the savings proposals and the capital programme relating to its remit.
- 2.6. The Commission RESOLVED (four votes for, three against, three abstentions) to forward the following recommendations to Cabinet:
- 2.7. Commission members welcome the opportunity to scrutinise the Budget and Business Plan 2022-26, and acknowledge the difficulties officers have faced in finalising it while the legacy costs of the pandemic remain unfunded and unresolved.
- 2.8. Because of the timetable for the budget process, the Commission has consistently been one step behind the Cabinet e.g. scrutinising the third

(December) iteration of the budget on 19 January when Cabinet has approved the fourth iteration two days earlier, on 17 January. The timetable should be reviewed to see whether the final Commission meeting can be delayed to ensure scrutiny of the latest budget iteration, while still allowing time to feed back to the final Cabinet meeting on 7 February.

- 2.9. In recent years heavy reliance has been placed on the Balancing the Budget Reserve to close the gap and set a balanced budget ((£11.5m in 2022/23).
- 2.10. The text notes: “It should be recognised that the use of reserves is a one off form of funding and alternative ongoing savings need to be identified to address the budget gap over the long term”. Is the Cabinet satisfied that this dependence on the BtBR is sustainable?
- 2.11. Resolution of the DSG deficit is now tantalisingly close, with the potential to impact the final budget for 2022/23. Cabinet will be faced with various options for allocating the provisions released, including amongst others:
- replenishing the Balancing the Budget Reserve
  - cancelling “unachievable” savings
  - funding priorities identified by “Your Merton”
  - moving forward with the Climate Change Action Plan
- 2.12. Cabinet is requested to ensure that scrutiny members are involved in the discussion of these alternatives

### **3 ALTERNATIVE OPTIONS**

- 3.1. Cabinet is required under the terms of the constitution to receive, consider and respond to recommendations from Overview and Scrutiny.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. The Constitution contains the requirements for consulting scrutiny on the budget and business plan. There was an initial phase of scrutiny in November 2021, with the second round completing in January this year, representing the formal consultation of scrutiny on the proposed Business Plan, Budget and Capital Programme.

### **5 TIMETABLE**

- 5.1. Round one of scrutiny of the 2022-26 Business Plan was undertaken as follows:-

- Healthier Communities & Older People Scrutiny Panel: 2 November 2021
- Children & Young People Overview & Scrutiny Panel: 3 November 2021
- Sustainable Communities Overview & Scrutiny Panel: 1 November 2021
- Overview and Scrutiny Commission: 10 November 2021

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

- Healthier Communities & Older People Scrutiny Panel: 10 January 2022
- Children and Young People Scrutiny Panels: 12 January 2022
- Sustainable Communities Scrutiny Panel: 18 January 2022
- Overview and Scrutiny Commission: 19 January 2022

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

6.1. These are detailed in the substantive reports elsewhere on this agenda

## **7 LEGAL AND STATUTORY IMPLICATIONS**

7.1. The process for developing the budget and business plan is set out in Part 4C of the Council's Constitution. The role of the Overview and Scrutiny Commission and panels with regard to the development of the budget and business plan is set out in Part 4E of the Constitution.

7.2. The legal and statutory implications relating to the budget and business plan are contained in the reports elsewhere on this agenda.

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

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

## **9 CRIME AND DISORDER IMPLICATIONS**

9.1. None for the purposes of this report.

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

10.1. None for the purposes of this report.

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

## **12 BACKGROUND PAPERS**

12.1. None

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**Committee: Cabinet**

**Date:**

Wards: All

**Subject: Additional Restrictions Grants**

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Owen Pritchard, Cabinet Member for Finance

Contact officer: David Keppler, Head of Revenues and Benefits

**Recommendations:**

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1. For Cabinet to review and agree the Covid Additional Relief Fund (CARF) policy
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**1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. For Cabinet to agree the Covid Additional Relief Fund policy

**2 DETAILS**

- 2.1. On 25 March the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The guidance on the scheme was only published in December. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business.
- 2.2. The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in guidance, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to the guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22.
- 2.3. Billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities must, if they are funding the relief from the section 31 grant:
  - a). not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),

b). not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and

c). direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

- 2.4. It will be for local authorities to determine the level of relief for individual hereditaments.
- 2.5. The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied
- 2.6. Merton's Approach
- 2.7. Merton have been allocated £4,787,440.
- 2.8. Applications will be invited from any business that has not received or eligible to receive Extended Retail Discount (covering Retail, Hospitality and Leisure) or Nursery Discount.
- 2.9. Businesses will be asked to detail how they have been adversely affected by the pandemic and why they have not been able to adequately adapt to that impact.
- 2.10. An application window of three weeks will be opened for applications.
- 2.11. All applications will need to be reviewed and determined before grants are awarded.
- 2.12. The level of grant will be determined based on the rateable value of successful applicants.
- 2.13. The council will calculate the total rateable value of all successful applicants and apportion the £4,787,440 accordingly.
- 2.14. At this stage it is difficult to estimate the value of the awards as it depends on number of successful applications and the rateable values.
- 2.15. The Council will undertake a communication strategy to reach businesses in the borough to encourage applications. This will include using the Chamber of Commerce and BIDS to reach businesses.
- 2.16. The Revenues and Benefits team will review and determine all applications.
- 2.17. It should be noted that two further business grant schemes require implementation and completion by 31 March 2022 and that the service will undertake the council tax and business rates billing process for 2022/23 at the beginning of March.

### **3 ALTERNATIVE OPTIONS**

- 3.1. The Council could look to implement different local priorities for the policy or different weightings to the different business sectors.

3.2. Some councils are considering applying the relief to all businesses that have not received Extended Retail Discount (covering Retail, Hospitality and Leisure) or Nursery Discount. This would mean many business that have not been affected by the pandemic would receive support. It is questionable how this approach adheres to 2.3 c) above.

3.3. Any unspent funding will need to be returned

#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

4.1. None.

#### **5 TIMETABLE**

5.1. Estimated time frame for implementation of schemes

<b>Task</b>	<b>Time frame</b>
Software development and testing	21 January 2022
Policy agreed Cabinet	7 February 2022
Call in period ends	14 February 2022
Communications with businesses	14 February 2022
Application window opens	16 February 2022
Application window closes	8 March 2022
Reliefs credited to accounts	22 March 2022

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

6.1. The Council has received £4,787,440 for this scheme.

6.2. The reliefs are in the form of a credit to the 2021/22 business rates account and not cash grants. If after the credit the account falls into credit this will be transferred to the 2022/23 rates charge.

6.3. The Council's business rates system supplier will provided a solution to administer this scheme. The cost of the new software is unknown at this stage.

6.4. Staffing levels to administer the scheme will come from existing resources.

6.5. The Government have indicated that New Burdens funding will be provided to all Council's for the administration of the new schemes. The amount to be received has not been confirmed yet.

#### **7 LEGAL AND STATUTORY IMPLICATIONS**

7.1. The Council is able to make such grants under the general powers of competence set out in section 1 of the Localism Act, the enabling powers set out in section 111 of the Local Government Act 1972 and in line with Central Government Guidance with regards the Additional Restrictions Grants which has come about as a result of the Covid 19 Pandemic

7.2. The application and evaluation process need to be complied with in order to ensure that no claims of discrimination or inequality are made. The grants will be awarded in accordance with the application process and evaluation

criteria, that will be fully disclosed and an audit trail of the decision making process retained. Successful applications will be awarded the relief on the terms and conditions set out in the policy.

- 7.3. The application process will take account of issues around state subsidy to ensure compliance.
- 7.4. Cabinet may by virtue of section 101 of the Local Government Act 1972, s.9J of the Local Government Act 2000 and the Scheme of Delegation at Part 3E of the Constitution, delegate authority to award this agreement.
- 7.5. The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in guidance, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22.

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

- 8.1. An Equalities Analysis has been completed. (Appendix 2)
- 8.2. The web form that has been designed links automatically to the business rates system.

## **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. The Government expect pre-payment checking and have stated they will pursue and prosecute fraudulent awards.
- 9.2. The Government have provided an online tool to help with verification.

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

- 10.1. Plans must be made to ensure the service is not overwhelmed by the number of applications received.
- 10.2. The Council will need to monitor and ensure that applications can be reviewed, vetted and decisions made within the timeframes indicated above.
- 10.3. Additional resource should be made available if required.

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

- Appendix 1 – Covid Additional Relief Fund Policy
- Appendix 2 – Equality Analysis

## **12 BACKGROUND PAPERS**

- 12.1. Government Guidance and FAQ's



## **Covid Additional Relief Fund (CARF)**

### **Government Guidance**

On 25 March the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The guidance on the scheme was only published in December. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.

The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in the guidance, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22.

Billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities must, if they are funding the relief from the section 31 grant:

- a). not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
- b). not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and
- c). direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.

### **Funding**

The Council received £4,787,440 in funding for this scheme. Awards are in the form of a reduction to business rates bills for 2021/22 only and not cash payments.

### **Approach**

The Council will invite any business that pays business rates and that has not received or eligible to receive Extended Retail Discount (covering Retail, Hospitality and Leisure) or Nursery Discount to make an application if they meet the criteria.

There will be a 21 days application window

Businesses will have to detail and where appropriate evidence that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

Evidence will be required to validate the claim. This information will include, bank details for the business, evidence of trading, evidence or declaration that the business has been adversely affected by the pandemic and have been unable to adapt

Businesses will be required to confirm that they meet the criteria of the scheme, and that the amount of relief is not in excess of the Subsidy Control Arrangements.

There will be pre and post payment checks undertaken.

### **Level of relief**

The level of relief cannot be determined until all applications have been reviewed and approved.

To determine the value of relief the following calculation will be made.

The rateable values (RV) of all successful applications will be totalled. The funding available will then be divided by the total of the RV to determine the percentage reduction based on the rateable value.

It is estimated that 2250 businesses may be eligible and the total rateable value for these is £80,000,000.

Examples,

Total RV of all successful applications £80,000,000  
Funding available £4,787,440

$RV = £80,000,000 \times \text{poundage } (£0.499) = £39,920,000$   
 $\% \text{ reduction is } £4,787,440 / £39,920,000 \times 100 = 11.99\%$

(Note: the standard poundage £0.512 and small business multiplier is £0.499)

The % reduction will be based on the rateable value. If the RV of a business is £20,000 they will receive a 11.99% of the rateable value x poundage (0.499) = £1,196.60 relief.

The relief will be calculated after all other statutory reliefs have been applied and the relief will be capped where the business rates bill is reduced to zero. The award of relief will not generate a negative balance payable.

All reliefs will be allocated to the 2021/22 rates bill. If after the relief is awarded the balance for the year is in credit due to payments having been made, this credit will be transferred to the 2022/23 bill and instalments recalculated.

Refunds will not be issued as a result of this process.

### **Additional Information**

If a business pays business rates on more than one Merton property they can apply for all business premises

Businesses that do not pay business rates can not apply

### **Exclusions from the CARF scheme**

Businesses that are in administration, are insolvent, struck off or where a striking-off notice has been made are not eligible for funding under these schemes

Advertising boarding /stations

Phone masks

Telephone kiosks

Bus garages and premises

Car parks

Car parking spaces

Private schools

Businesses that cannot detail and where appropriate evidence that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

### **Decision making**

If the information requested is not provided, after working with the applicants, the application will be refused.

Decisions on applications and awards will be made by the Head of Revenues and Benefits

The Director of Corporate Services will oversee the process.

The applicant will be notified of the decision by email and will receive a revised business rates bill if successful.

The progress and results from the scheme will be reported to BEIS and successful applicants may be published on our website

### **Appeals**

Merton is not required to provide a right of appeal against any decision as this is because grants awarded under the Additional Restrictions Grant scheme are discretionary awards.

However, Merton will work with applicants to make sure they provide the necessary evidence to support a successful application.

The Council operates a complaints process for dissatisfied service.

# Equality Analysis



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

What are the proposals being assessed?	Local Authority Covid Additional Restrictions Fend Policy
Which Department/ Division has the responsibility for this?	Corporate Services / Resources

Stage 1: Overview	
Name and job title of lead officer	David Keppler, Head of Revenues and Benefits
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>Policy to enable award of business rates reliefs in the form of a reduction to the rates bill. Funding of £4,787,440 million provided by Government. Local policy agreed by Cabinet.</p> <p>The aim of the Government grant is to help support businesses that have not received any help with their business rates bills for 2021/22.</p>
2. How does this contribute to the council's corporate priorities?	This addresses some concerns with the impact of businesses in the community that have been excluded from any reduction in rates bills – such as hospitality supply chain, language schools.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>Local authorities are asked to identify businesses that did not receive relief under the extended retail, hospitality and leisure and nursery relief schemes. The support is only for businesses that pay business rates.</p> <p>The Council will have an application window and then once closed the actual level of support can be calculated.</p>
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	None – the Council has responsibility for delivering this

## Stage 2: Collecting evidence/ data

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

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

This is a very recent addition to economic packages announced by Central Government to address the financial impact on business as a result of the pandemic.

We have used the guidance issued by Central Government as the underlying principles of the scheme although we have the discretion to modify to address any known local issues.

Applications will be assessed against the Council's criteria and policy by the Head of Revenues and Benefits.

The relief may have a positive impact on businesses or organisations in the borough.

The level of funding available will likely result in a relatively small percentage reduction in rates bills. Therefore many businesses that have been affected by the pandemic will still be required to pay business rates for 2021/22. .

Page 10

### Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		N		N	All local specialist businesses will be able to apply if they meet the criteria.
Disability		N		N	All local specialist businesses will be able to apply if they meet the criteria.
Gender Reassignment		N		N	
Marriage and Civil Partnership		N		N	
Pregnancy and Maternity		N			
Race		N		N	All local specialist businesses will be able to apply if they meet the criteria.
Religion/ belief		N		N	
Sex (Gender)		N		N	All local specialist businesses will be able to apply if they meet the criteria.
Sexual orientation		N		N	
Socio-economic status		N		N	All local specialist businesses will be able to apply if they meet the criteria.

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

The decision making panel will not have knowledge of the protected characteristics prior to the application and award stage.

**Stage 4: Conclusion of the Equality Analysis**

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

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

**Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. No changes are required.

**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. Actions you propose to take to do this should be included in the Action Plan.

**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.

**Outcome 4** – The EA shows actual or potential unlawful discrimination. Stop and rethink your proposals.

Page 22



**Stage 5: Improvement Action Pan**

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

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

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

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

**Stage 6: Reporting outcomes**

**10. Summary of the equality analysis**

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome   1   Assessment

Page 23

**Stage 7: Sign off by Director/ Head of Service**

<b>Assessment completed by</b>	David Keppler – Head of Revenues and Benefits	<b>Signature:</b> D Keppler	<b>Date:</b> 14 January 22
<b>Improvement action plan signed off by Director/ Head of Service</b>	Roger Kershaw – Assistant Director Resources	<b>Signature:</b> R Kershaw	<b>Date:</b> 25 January 22

## Cabinet

Date: 7 February 2022

Subject: Financial Report 2021/22 – Period 9 December 2021

Lead officer: Roger Kershaw

Lead member: Councillor Owen Pritchard

### Recommendations:

- A. That Cabinet note the financial reporting data for month 9, December 2021, relating to revenue budgetary control, showing a forecast net adverse variance at year end on net service expenditure of £5.373m, increasing to £7.276m when corporate and funding items are included, a decrease of £82k compared to last month
- B. That CMT note the contents of Section 5 and approve the adjustments to the Capital Programme contained in Appendix 5b and 5d  
That Cabinet note the contents of Section 5 and Appendix 5b of the report and approve the adjustments to the Capital Programme in the Table below:

	Budget 2021-22	Narrative
<u>Corporate Services</u>	£	
Business Systems - Payroll IT System	3,000	Additional Costs Funded from a Rev. Reserve
Invest to Save - Decarbonisation Scheme	(397,240)	Revised Grant Funded Scheme
Business Systems - SENDIS	(109,410)	Remaining MIB Money Project 53 for Revenue
<u>Children, Schools and Families</u>		
Harris Academy Wimbledon	72,740	SCIL Funding for additional costs of the scheme
Links - Capital Maintenance	(15,000)	Virement reflecting projected outturn
Sherwood - Capital Maintenance	15,000	Virement reflecting projected outturn
<u>Environment and Regeneration</u>		
Borough Regeneration - Carbon Offset Funding	150,000	Section 106 Scheme
<b>Total</b>	<b>(280,910)</b>	

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the period 9 monitoring report for 2021/22 presented in line with the financial reporting timetable.

This financial monitoring report provides -

- A full year forecast projection as at period 9.
- An update on the financial impact of Covid-19
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2021/22;
- Progress on the delivery of the 2021/22 revenue savings

## 2. THE FINANCIAL REPORTING PROCESS

2.1 The budget monitoring process for 2021/22 continues to focus on the ongoing financial impact of Covid-19. The Council's services remain under pressure due to the need to support businesses and residents, particularly vulnerable groups in need of social care and there has been a major reduction in the Council's income which is expected to

continue for some time. The detrimental impact of Covid-19 is being monitored closely as the situation evolves.

- 2.2 There are also significant pressures on the Dedicated Schools Grant (DSG) which are being monitored. The cumulative deficit at the end of 2020/21 was £24.981m and the deficit is forecast to continue to increase in 2021/22, the cumulative deficit is now estimated to be £37.817m by the end of this financial year. A positive outcome of the Safety Valve discussions could have an impact on the overall financial outturn, if grant is received this financial year.
- 2.3 Chief Officers, together with budget managers with support from Service Financial Advisers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within areas which are above budget is being actively and vigorously controlled and where budgets have favourable variances, these are retained until year end. Any final overall adverse variance on the General Fund will result in a call on balances.

### 3. 2021/22 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

**Executive summary** – At period 9 to 31 December 2021, the year end forecast is a net adverse variance of £7.276m when all incremental Covid costs are included, after applying known government grant funding. Whilst Merton has been part of the Safety Valve discussions with the DfE, at the time of writing the outcome is not yet known. If support is confirmed, this could have a positive impact on the 2021/22 outturn position.

#### Summary Position as at 31st December 2021

	Current Budget 2021/22 £000s	Forecast Variance at year end (December) £000s	Forecast Variance at year end (November) £000s	Covid-19 Forecast Variance £000s	Outturn variance 2020/21 £000s
<b>Department</b>					
Corporate Services	11,890	1,179	1,202	845	3,746
Children, Schools and Families	63,049	496	499	714	(2,971)
Community and Housing	69,470	(1,202)	(1,339)	1,133	(2,264)
Public Health	(0)	0	0	0	(18)
Environment & Regeneration	15,329	4,900	4,646	7,084	10,689
Overheads	0	0	0	0	0
<b>NET SERVICE EXPENDITURE</b>	<b>159,737</b>	<b>5,373</b>	<b>5,008</b>	<b>9,776</b>	<b>9,182</b>
<b>Corporate Items</b>					
Impact of Capital on revenue budget	11,157	(145)	(145)	0	(27)
Other Central budgets	(7,488)	106	553	0	2,151
Levies	959	0	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>4,628</b>	<b>(39)</b>	<b>408</b>	<b>0</b>	<b>2,124</b>
<b>Covid-19</b>	<b>0</b>	<b>833</b>	<b>833</b>	<b>833</b>	<b>176</b>
<b>TOTAL GENERAL FUND</b>	<b>164,365</b>	<b>6,167</b>	<b>6,249</b>	<b>10,609</b>	<b>11,306</b>
<b>FUNDING</b>					
Revenue Support Grant	(5,187)	0	0	0	0
Business Rates	(34,339)	0	0	0	0
Other Grants	(16,949)	0	0	0	(382)

Council Tax and Collection Fund	(98,434)	0	0	0	4
COVID-19 emergency funding	(6,811)	0	0	0	0
Income compensation for SFC	(2,643)	1,109	1,109	1,109	
<b>FUNDING</b>	<b>(164,363)</b>	<b>1,109</b>	<b>1,109</b>	<b>1,109</b>	<b>(378)</b>
<b>NET</b>	<b>2</b>	<b>7,276</b>	<b>7,358</b>	<b>11,718</b>	<b>10,928</b>

The current level of GF balances is £14.0m and the minimum level reported to Council for this is £14.0m.

### Covid-19 Financial Impact

The government announced a scheme to reimburse Councils for lost income from sales, fees and charges. This involves a 5% deductible rate, whereby the Council absorbs up to 5% and the government compensation covers 75p in every pound of relevant loss thereafter. The scheme was extended for the first quarter of 2021/22. Amounts expected from the income compensation scheme have now been included in the forecast, subject to confirmation by DLUHC. This is c.£1.5m which represents a shortfall against a budgeted £2.643m as the circumstances around the pandemic and impact on income greatly improved for the first quarter compared to when the budget was set, particularly around parking income.

The ongoing situation with high levels of uncertainty, and the Omicron variant, continues to make forecasting difficult for the year ahead as it's unclear if or when some service areas will see activity return to pre-covid levels.

### Covid Expenditure

Covid expenditure which is incremental is reported centrally on Corporate items – Covid costs. These are the incremental costs not covered by specific covid grants.

### Income shortfall

Income budgets are included within departments so the impact of Covid-19 on lost income is reflected in departmental forecasts.

### Savings unachieved

Departmental budgets are adjusted for the agreed savings targets for 2021/22 as part of the budget setting process. The savings which are now under pressure due to Covid-19 are included in the forecast of the departments. This is inclusive of 2020/21 savings which remain under pressure.

## Covid-19 Summary

COVID-19 COST SUMMARY	Forecast as at December 2021	Forecast as at November 2021
	2021/22 £000s	2021/22 £000s
<b>Department</b>	-	-
Corporate Services	845	846
Children, Schools and Families	714	714
Community and Housing	1,133	1,137
Environment & Regeneration	7,084	6,854
<b>TOTAL INCOME LOSS &amp; SAVINGS UNACHIEVED</b>	<b>9,776</b>	<b>9,551</b>
<b>Corporate Items - Covid costs</b>		
Corporate Services	115	115
Children, Schools and Families	180	180
Community and Housing	242	242
Environment & Regeneration	296	296
<b>ADDITIONAL COVID EXPENDITURE</b>	<b>833</b>	<b>833</b>
<b>FUNDING</b>		
Business Rates	4,494	4,717
Council Tax	0	0
<b>TOTAL FUNDING LOSS</b>	<b>4,494</b>	<b>4,717</b>
<b>GROSS COST OF COVID-19</b>	<b>15,103</b>	<b>15,101</b>
Covid general funding	-6,811	-6,811
Income compensation for sales, fees & charges	-1,534	-1,534
<b>NET COST OF COVID-19</b>	<b>6,758</b>	<b>6,756</b>

### Covid-19 impact on the Collection Fund

Due to COVID-19 the amount of Business Rates collected will be less than budgeted for 2021/22 when the budget was approved by Council in March 2021. There is usually a small surplus or deficit which arises because the amount collected during the year will vary for different reasons such as new businesses arriving and leaving during the year.

Due to Covid-19 the level of collection is less than expected and will result in a deficit in Business Rates for the financial year 2021/22. This deficit is currently estimated at £4.494m as shown in the covid table above to demonstrate the full impact of covid, however, due to the way Business Rates are accounted for in local authorities, any shortfall will not be reflected in the 2021/22 financial year but will be managed via the Collection Fund and accounted for in future years. The Council will build estimates for Business Rates including any deficit/surplus from previous accounting years into the MTFs and budgets for 2022/23 onwards. The estimated deficit is therefore not reflected in the main summary position table for 2021/22 as it will not impact the general fund outturn.

In 2020/21 Merton collected 90.04% of its Business Rates income. As at the end of December, 2021/22 business rates collected is 0.67% more than the equivalent for last year. The collection rate is forecast to be 91% by year end, an improvement on 2020/21.

On 3 March 2021 the government confirmed that the Expanded Retail Discount would continue to apply in 2021/22 at 100% for three months, from 1 April 2021 to 30 June 2021, and at 66% for the remaining period, from 1 July 2021 to 31 March 2022. The government confirmed that there would be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021, relief will be capped at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.

In December 2021 a further business rate relief scheme was announced which could see bills reduced by £4.7m. However, at the time of writing the details of how the scheme will be applied are yet to be confirmed and may not be applied in time for March 2022. If the scheme's reliefs are applied during 2021/22 it will improve the overall collection rate achieved.

### **Cashflow**

The Covid-19 outbreak created pressure on the council's cash flow but the position started to settle down since summer 2021. Through prudent treasury cash flow management, the Council has been able to meet its additional expenditure from its cash in balances in the bank and primarily from liquid cash balances held in Money Market Funds (MMFs).

In light of Government relief announcements made last year, the Council continues to see a reduction in income. Therefore, in order to meet its commitments going forward it was decided to keep the bulk of the Council's available funds in cash/MMFs to maintain liquidity. This approach helped the council meet its cash flow needs and avoided any short term unplanned borrowing. In November 2020 the council increased its number of MMF and MMF limits to maintain a healthy liquid position.

From Summer 2021, with the stability and the confidence seen in the UK economy the fixed deposit rates started to go up and as a result the Council started to return to medium term fixed deposit to earn interest income from any short term excess cash balances.

Even though the UK Economy showed a pre pandemic growth in November, in December due to the spread of Omicron/and moving to Plan B of the pandemic the economy slowed down. However the Bank of England base rate was increased from 0.10% to 0.25% on the 16 December and as a result of this the Council was able to get better interest income on our deposits.

The Council still has a strong position on its liquidity and where the opportunity arises placing excess cash in short term deposits to generate income.

Cash flow is monitored on a daily basis and the current forecast shows the Council has sufficient funds to meet its payment needs going forward over the medium term, but there remains a concern over the longer term in the context of the DSG deficit, subject to successful Safety Valve funding. However, if a cash shortfall occurs, the Council has the option to borrow from the market in order to meet its needs.

#### 4. DEPARTMENTAL SUMMARY OF CURRENT POSITION

##### Corporate Services

Division	Current Budget £000	Full year Forecast (December) £000	Full Year Forecast Variance (December) £000	Full Year Forecast Variance (November) £000	Covid-19 Forecast Impact (December) £000	Outturn Variance 2020/21 £000
Customers, Policy & Improvement	5,755	5,542	(214)	(216)	60	915
Infrastructure & Technology	12,545	12,682	137	131	176	(51)
Corporate Governance	1,750	1,830	80	79	17	(88)
Resources	5,698	5,978	280	295	472	1,811
Human Resources	1,903	2,111	207	234	120	102
Corporate Other	710	1,398	688	679	0	1,057
<b>Total (Controllable)</b>	<b>28,361</b>	<b>29,540</b>	<b>1,179</b>	<b>1,202</b>	<b>845</b>	<b>3,746</b>

##### Overview

The department is currently forecasting an adverse variance of £1,179k at year end of which £845k is due to the external impact of covid-19. The adverse forecast variance has reduced by £23k since November.

##### Customers, Policy and Improvement - £214k favourable variance

The favourable variance is primarily due to various vacancies expected to be held for part of the year, such as in the AD (£134k) and Programme Office budgets (£61k).

The Voluntary Sector Coordination budget is also forecasting a favourable variance of £43k on grants expenditure as commitments are less than the overall budget.

The Registrars services are also forecasting a favourable variance of £57k due to the strong recovery of income levels following the cessation of covid restrictions earlier this year. The forecast has seen a £13k favourable movement since period 8 (November) mainly due to reduced staff costs as winter months mean fewer ceremonies and weddings hence a reduction in reliance on casual staff.

Additional favourable variances include £49k due to an over-achievement of income forecast against the cash collection saving, £30k staffing underspends within the complaints team and £27k within Merton Link's supplies and services budget lines.

Partially offsetting the favourable variances are the Press and PR budget which is forecasting a £128k



adverse variance owing to the use of agency staff to cover the Head of Communications post pending the completion of a restructure. There is also a net adverse variance of £60k in the Translations services due to under-achievement against the income budget as external demand remains low and a £23k adverse variance in the Policy and Strategy team partly due to the use of agency staff.

### **Infrastructure & Technology - £137k adverse variance**

Many of the adverse variances within the division are due to reduced recharges as a result of the change in working arrangements surrounding the covid-19 pandemic. These adverse variances include £214k on the Corporate Print Strategy and £103k on the PDC (Chaucer Centre). These are reviewed throughout the year and adjusted depending on the level of staff returning to the office. Where these are internal recharges they have not been included in calculating the impact of covid-19 on the Council as they will positively impact other departments and are therefore not a net cost to LBM.

The FM External account is also forecasting a £96k adverse variance due to the lack of commissions since the pandemic began, though the forecast is significantly improved on the outturn position for 2020/21. There is a variance on Corporate Contracts (£28k adverse) due to 2020/21 savings for reducing cleaning in corporate buildings remaining unachievable within the current circumstances. A further £41k adverse variance is within the Client Financial Affairs team, mainly relating to the unachieved saving (reference 2019-20 CS23) relating to the introduction of a charging scheme.

There are also multiple favourable variances within the division, such as on the Microsoft EA (Enterprise Agreement) which is forecast less than budgeted by £130k and £78k in Safety Services due to recruitment lag as well as contingency not expected to be required in year. There is a favourable £46k variance forecast for Garth Road from rental income. Transactional Services are forecasting an underspend of £43k. This is due to an underspend on salaries resulting from a vacant post (now filled), plus recovered expenses. The Business Systems Team is also forecasting a £36k favourable variance due to vacancies in the team.

### **Corporate Governance – £80k adverse variance**

The adverse variance is primarily due to forecast overspend within LBM Legal Service (£128k) of which £115k results from prior year unachieved savings which are recommended to be reversed as part of the MTFS to be presented to Cabinet in February.

The adverse variance has been partially offset by favourable variances within the division which include £15k within AD Corporate Governance due to recharges to migration work for the AD's salary costs, £10k within Democracy Services from IT costs and Mayor's allowances spend being less than budgeted, £17k across Electoral Services largely from less than budgeted canvass pay and £15k within the South London Legal Partnership (SLLp).

SLLp is currently forecasting a £76k surplus overall, £15k is forecast to be LBM's share. The variance in SLLp is largely due to reduced running costs as staff largely continue to work remotely and less than budgeted staffing costs.

### **Resources - £280k adverse variance**

The adverse variance forecast within Resources has reduced by £15k since November. The favourable movement is partly due to new income not previously forecasted against the Local Taxations Services worth £30k and a £20k reduction in Benefits Administration partly offset by a £31k adverse movement against the AD resources budgeted line resulting from the E payments project.

Within Resources there are multiple budgets forecasting adverse variances due to Covid-19. Resulting from covid is an adverse variance forecast in the Bailiffs service of £326k (inclusive of the shared service element) as a result of unachieved income which will be monitored as the circumstances around the pandemic improve and the service is able to operate more fully. The Local Taxation Service has a £153k favourable variance overall due to additional funding from the GLA and new burdens income from DWP.

The Corporate Accountancy service is forecasting a £152k adverse variance which includes agency cover due to long-term sickness and an increase in fee proposed by the Council's external auditors, EY, though confirmation of the fee increase is still outstanding. A further adverse variance of £120k is forecast on insurance premium. Even though six schools moved out of the council cover, the insurance premium did not change significantly. The service is currently working on the open claims and are planning to reduce the annual insurance provision to the insurance fund to mitigate the overspend on the insurance premium. They are also doing detailed work on the properties and there is a possibility that a few of the properties can be removed from the insurance cover for next year and this will help to reduce the insurance premium from 2022/23.

The Financial Systems Team is forecasting a £33k adverse variance owing to salary budget pressure as well as revenue costs for upgrading the financial system planned for later this year.

Within the Benefits Administration service a £143k favourable variance is largely due to grant receipts from DWP.

Favourable variances within Resources include £12k on the Director of Corporate Services budget due to consultants and subscription budgets not required in year. The Support team within Revenues and Benefits has £30k favourable variances mainly against staffing costs. Additional underspends within resources include £16k due to vacancies with the Budget Management team.

### **Human Resources – £207k adverse variance**

The adverse variance has seen a £27k favourable movement since period 8 (November). This has been a result of an in-depth review of the Learning & Development budgets which have identified favourable variances against the training budget line and have resulted in a favourable movement of £57k since period 8 (November). The favourable movement is partially offset by a £21k adverse movement in HR transactions following forecast information received from Kingston.

This adverse variance is primarily due to agency cover in place against the AD budget (£102k variance) and staff side budget resulting from maternity leave (£20k).

Additionally, there is an adverse variance of £148k relating to the HR Transactions budget for the shared payroll system and iTrent client team charges from Kingston. This is reflective of a saving not expected to be achieved in year as new contract negotiations were delayed as a result of covid during 2020/21.

The Payroll service is anticipating a £46k favourable variance across various staffing and running costs as well as overachievement of schools buyback income.

## Corporate Items - £688k adverse variance

The Corporate Items budget has seen an adverse movement of £10k since period 8 (November). This is primarily due to a £32k increase in forecast costs from Westminster Coroner's Service following the latest charge information received for quarter 3.

The above is partially offset by a £11k favourable movement in added years pension forecast.

## Environment & Regeneration

Environment & Regeneration	2021/22 Current Budget	Full year Forecast (Dec)	Forecast Variance at year end (Dec)	Forecast Variance at year end (Nov)	2021/22 Covid-19 Forecast Impact (Dec)	2020/21 Outturn Variance
	£000	£000	£000	£000	£000	£000
Public Protection	(16,031)	(11,427)	4,603	4,289	6,019	8,973
Public Space	16,205	16,721	516	576	596	2,003
Senior Management	1,043	868	(175)	(191)	0	(134)
Sustainable Communities	8,330	8,285	(44)	(27)	469	(153)
<b>Total (Controllable)</b>	<b>9,546</b>	<b>14,446</b>	<b>4,900</b>	<b>4,646</b>	<b>7,084</b>	<b>10,689</b>

Description	2021/22 Current Budget	Forecast Variance at year end (Dec)	Forecast Variance at year end (Nov)	2020/21 Variance at year end
	£000	£000	£000	£000
Regulatory Services	625	261	183	194
Parking Services	(17,675)	4,369	4,107	8,804
Safer Merton & CCTV	1,019	(27)	0	(25)
<b>Total for Public Protection</b>	<b>(16,031)</b>	<b>4,603</b>	<b>4,289</b>	<b>8,973</b>
Waste Services	14,553	395	395	875
Leisure & Culture	549	213	279	764
Greenspaces	1,832	(79)	(79)	525
Transport Services	(729)	(14)	(19)	(161)
<b>Total for Public Space</b>	<b>16,205</b>	<b>516</b>	<b>576</b>	<b>2,003</b>
Senior Management & Support	1,043	(175)	(191)	(134)
<b>Total for Senior Management</b>	<b>1,043</b>	<b>(191)</b>	<b>(191)</b>	<b>(134)</b>
Property Management	(2,636)	(294)	(269)	(381)
Building & Development Control	(15)	en170	137	281
Future Merton	10,981	81	105	(53)
<b>Total for Sustainable Communities</b>	<b>8,330</b>	<b>(44)</b>	<b>(27)</b>	<b>(152)</b>
<b>Total Excluding Overheads</b>	<b>9,546</b>	<b>4,900</b>	<b>4,646</b>	<b>10,689</b>

## Overview

The department is currently forecasting an adverse variance of £4,900k at year end. The main areas of variance are Regulatory Services, Parking Services, Waste Services, Leisure & Culture, Greenspaces, Property Management, Development & Building Control and Future Merton.

## Public Protection

### **Regulatory Services adverse variance of £261k**

The section has cumulative income savings of £210k relating to potential commercial opportunities. However, the focus for the financial year 2020/21 needed to be redirected from income generation to Covid-19 service delivery and service improvement including a major IT project. The section will be undertaking a review in the new financial year on the commercial opportunities that remain post-pandemic.

The IT transition Project is scheduled for completion in the first quarter of 22/23 which will then permit some resources to refocus on income generation. Covid-19 continues to impact licensing income due to continually changing business and restrictions resulting in a reduction in income from, Premises Licences, Massage and Special Treatment Licences, Street Trading Licences and Gambling Licences. Licensing income has improved through an increase in licence applications some resulting from the new Pavement Licencing Regime. Business recovery does show signs of improvement however licensing income remains below pre-pandemic levels. The economic impact on businesses arising from Covid-19 has also resulted in an increased trend (circa 30%) for non-payment of outstanding annual fees and an amount of unlicensed business activity. Officers are undertaking increased engagement with these businesses to ensure compliance. Current forecasts estimate an adverse variance against the licencing income budget of £30k.

**Parking Services adverse variance of £4,369k** The income forecast has moved adversely by £262k since November. Covid-19 continues to affect parking revenue across the board including ANPR, PCNs as well as on and off-street charges income. Analysis to better understand the short and longer-term impact of this is ongoing, but current forecasts show the adverse variance on PCN, P&D, and permit income of £2.1m, £1.26m, and £1.08m respectively. This is primarily due to a reduction in proposed income from across the various permit categories.

These adverse variances are being partially offset by a favourable variance on parking admin fee of £206k, employee spend of £115k and supplies and services £18k (of which £135k relates to the research and modernisation of SSZs cameras which will not be utilised until next year).

It should be noted that the section has a £3,800k budget expectation relating to the review of parking charges, which commenced on the 14th January 2020. The new charges were designed to influence motorists' behaviour and reduce the use of the motor car. The extent to which behaviour has been affected is masked by the impact of Covid-19, but work continues to try and better understand this. A recent review of the budget expectation has indicated a shortfall of £2,100k. Additionally, there is a 2020/21 and 2021/22 saving (ENV1920-01) of £680k relating to an application to change Merton's PCN charge band from band B to band A, which is now not expected to be implemented until February 2022.

It should also be noted that that £750k EBC savings target this year will now be met from the corporate contingency, for which a budget transfer has taken place following Cabinet approval in October 2021

## **Public Space**

### **Waste Services adverse variance of £395k**

Period 9 forecasts have been reviewed and there has been no movement since period 8. The omicron variant has not had a significant impact on the services being deployed however the service has activated its Business Continuity Plan and is prioritising general and food waste collections. They will continue to be monitored closely.

The section is forecasting an adverse variance on disposal costs of £368k. As a result of changes to our residents working arrangements, we have seen a greater increase in the number of households now working from home following the Government advice in relation to Covid-19. This has resulted in an increase in overall domestic waste across all kerbside collection services. In order to mitigate this cost, the service is currently supporting SLWP in the planning of the re-procurement of both Food and Garden waste processing services which currently expire in 2022.

An adverse variance of £223k is being forecast in relation to its waste collection and street cleansing contract, as a result of agreed and necessary services being undertaken on our behalf by the service provider.

An adverse variance of £164k is also being forecast in relation to the Household, Reuse, Recycling Centre (HRRC), mainly as a result of extending the current contract during 2020/21, via a contract variation, in order to both minimise future costs and to align the contract period with the other SLWP boroughs. The service is currently exploring alternative access for residents to neighbouring sites along with implementing improvements to the current booking system which has contributed to the management of waste volumes. To date there are no planned service changes, and we note that any significant change to the provision of this service will first be presented to Cabinet for consideration.

Favourable variances on the Council's Environmental Enforcement services in respect of enforcing and issuing Fix Penalty Notices for littering (£199k), and employee related spend (£113k) is partially mitigating these adverse variances.

### **Leisure & Culture adverse variance of £213k**

Due to the ongoing impact of Covid-19 the Authority continues to support our service provider, GLL and this has resulted in an income shortfall of £368k against a budget of £818k. In the last financial year, Merton loaned GLL £575k, GLL have indicated that they would either be able to payback an interest free amount of £400k or a proportion of the guaranteed income starting from October 2021. During this time the Authority has been incurring lower utility costs at these premises, leading to a forecast favourable variance of £8k.

The continuation of Covid-19 related restrictions at the Wimbledon Sailing Base has also led to programmes with less attendees being available, resulting in a net adverse variance of £45k being forecast.

Favourable variances on one-off reimbursement costs of £100k, and employee related spend of £85k

and supplies and services related spend of £43k is partially mitigating these adverse variances.

### **Greenspaces favourable variance of £79k**

The favourable variance is primarily due to an increase in rental income from Wimbledon Tennis Fortnight outdoor events of £152k and over recovery of Phase C income of £62k. This will need to be closely monitored to ensure any changes to outdoor events due to the Omicron variant are reflected in future outturns.

The variance is reduced by anticipated under-recovery of income from outdoor events entertainment (£90k) and Parking Charges (£50k) resulting from the Covid-19 restrictions at the start of the year.

### **Sustainable Communities**

#### **Property Management favourable variance of £294k**

The favourable movement has increased by £25k from period 8 (November). This is primarily due to the service receiving £60k funding from the GLA against a budget of £40k.

The principal reason for the favourable variance relates to exceeding the commercial rental income expectations by £571k, which includes £167k of one-off income from conducting the backlog of rent reviews in line with the tenancy agreements. There is also a favourable variance on employees of £116k due to underspend being forecast on salaries against a budget of £312k.

This is being partially offset by an adverse variance of £138k on premises related expenditure, for example, building improvements, utilities, repairs & maintenance costs, and £178k on supplies & services related expenditure, for example, on employment of consultants to progress rent reviews due to lack of internal resource, and valuations to support asset valuations and potential disposals.

#### **Building and Development Control adverse variance of £170k**

The adverse movement has increased by £33k since period 8 (November). This is due to an increase in staffing costs of £83k, which have been partly offset by a £46k favourable movement within the Development Control income resulting from an increase in application numbers and a significant increase in pre-apps being booked.

The adverse variance is primarily due to a £199k under recovery in Building control income and £122k adverse variance on the employee budget lines. This adverse variance is partly offset by a £114k anticipated over recovery in Development Control income and £34k supplies and services underspend.

## Children Schools and Families

### CMT Summary

Children, Schools and Families (£000's)	2021/22 Current Budget	Full Year Forecast	Forecast Variance December	Forecast Variance November	2021/22 Covid Forecast Impact
<b>Education</b>					
Education Budgets	£ 17,110	£ 17,245	£ 135	£ 148	£ 274
Depreciation	£ 9,801	£ 9,801			
Other Education Budgets	£ 127	£ 127			
Education Services Grant	-£ (1,062)	-£ (1,062)			
<b>Education Sub-total</b>	<b>£ 25,976</b>	<b>£ 26,111</b>	<b>£ 135</b>	<b>£ 148</b>	<b>£ 274</b>
<b>Other CSF</b>					
Child Social Care & Youth Inclusion	£ 21,009	£ 21,344	£ 336	£ 326	£ 440
Cross Department	£ 908	£ 983	£ 25	£ 25	
PFI Unitary Costs	£ 8,168	£ 8,168	£ -		
Pension and Redundancy Costs	£ 1,592	£ 1,592			
<b>Other CSF Sub-total</b>	<b>£ 31,677</b>	<b>£ 32,087</b>	<b>£ 361</b>	<b>£ 351</b>	<b>£ 440</b>
<b>Grand Total</b>	<b>£ 57,653</b>	<b>£ 58,198</b>	<b>£ 496</b>	<b>£ 499</b>	<b>£ 714</b>

### Overview

At the end of December 2021, the Children Schools and Families directorate is forecasting an adverse variance against budget of £0.496m on local authority funded services. This is a small favourable movement since period 8. Since period 6 there is the inclusion of £300k costs relating to the DSG "Safety Valve" team.

£714k Covid-19 cost pressure has been identified relating to savings shortfalls from the last financial year. These have been included in the forecast position. There remains some uncertainty about the likely level of increased costs due to Covid-19. We are currently reviewing one of the larger savings for this year relating to the PFI that requires additional modelling by the service and finance jointly. The £400k saving based on Public Health commissioning is not achievable as this recommissioning has not taken place. The increased numbers of children needing CP plans last year is now reducing nearer to expected levels and our looked after children numbers are stable. An additional temporary project team was secured to help with the increased demand in our first response service which has helped to keep caseloads at acceptable levels.

It has remained difficult to forecast the patterns of demand across all services as families, communities and services return to normal life, subject to the current Omicron variant. We continue to monitor the situation closely and respond in a timely way to changes.

### Local Authority Funded Services

The table below details the significant budget variances identified to date:

Local Authority Funded Services (£000's)	Budget	December Variance	November Variance
<b>Child Social Care and Youth Inclusion</b>			
Adolescent & Family Services	£ 2,113	-£ (349)	-£ (359)
Asylum Seeker Costs (14+)	£ 137	£ 126	£ 126
Asylum Seeker Costs (ART)	£ 306	£ 30	£ 30
Children Cntrl Social Wrk Serv	£ 4,285	-£ (88)	-£ (88)
Head of ChildSocIcare& YthIncl	£ 213	-£ (45)	-£ (45)
Mash & Child Protection Serv	£ 2,643	-£ (152)	-£ (152)
Safeguarding, Stndrds & Train	£ 1,210	-£ (159)	-£ (159)
Senior Management	£ 271	-£ (4)	-£ (4)
Children In Care and Resources	£ 9,831	£ 976	£ 976
<b>CSC &amp; Youth Incl Total</b>	<b>21,009</b>	<b>335</b>	<b>325</b>
<b>Education</b>			
Contracts, Proc & School Org	£ 7,455	£ 180	£ 3
Early Years & Children Centres	£ 4,100	-£ (240)	£ 172
Education - School Improvement	£ 20	-£ (9)	-£ (3)
Education Inclusion	£ 1,780	-£ (130)	-£ (102)
Schools Delegated Budget	£ -	£ -	£ -
SEN & Disability Integrat Serv	£ 2,076	-£ (44)	-£ (181)
Senior Management	£ 864	£ 293	£ 204
Policy, Planning & Performance	£ 523	£ 122	£ 92
Departmental Business Support	£ 211	-£ (37)	-£ (37)
<b>Education Total</b>	<b>£ 17,029</b>	<b>£ 135</b>	<b>£ 148</b>

### **Children's Social Care and Youth Inclusion Division**

The Children in Care service is recording an adverse forecast of £976k compared with budget the same as the position in period 8. To note, the full £400k Public Health saving which was predicated on recommissioning integrated services, which has not taken place, (referred to in the overview section above) has all been put against this budget. This savings option is now no-longer achievable. Over the past year there has been an increase in placements of children with complex needs in high cost provision. Additionally, providers have increased the cost of caring for the most complex children. We continue to ensure that children's plans are reviewed regularly with senior managers offering support and challenge to explore alternative arrangements coupled with a focus on commissioning and procurement activity to ensure best value is obtained through a more systemised purchasing approach.

The Division overall is forecasting an adverse variance against budget of £335k at period 9 which is a very small increase since period 8.

### **Education Division**

The Education forecast for Senior Management includes forecast costs for the agency staff which are part of the DSG Safety Valve team. Spend to the end of the year is likely to be in the region of £300k and these costs have been included within the forecast.

The Education Division forecast has been based on a spend situation returning to more normal levels.



Transport costs have risen to more usual levels and seen some increases where transport has been more difficult to commission, we will continue to closely monitor this area of spend. Work is underway to reduce transport spend but in the short term higher provider costs and demand have increased costs. Underspends in Early Years have offset some of the increased transport costs and these were due to staff movement and a reduction in the need for additional staff previously anticipated.

The Division overall is forecasting an adverse variance against budget of £135k, this is a small favourable movement from period 8.

### **Schools PFI**

The schools PFI budget will balance this year. However, the higher inflation rate will significantly increase the budget requirement for 2022/23. Discussion are underway as to how this is met.

### **Dedicated Schools Grant (DSG)**

The Dedicated Schools Grant (DSG) is forecasting an outturn of £12.836m. This is a decrease of £21k from last period.

Dedicated Schools Budget (£000's)	Budget	December Variance	November Variance
<b><u>Education</u></b>			
Contracts, Proc & School Org	£ 286	£ 3	-£ (4)
Early Years & Children Centres	£ 16,335	-£ (522)	-£ (590)
Education - School Improvement	£ 1,107	-£ (131)	-£ (131)
Education Inclusion	£ 1,468	£ 30	£ 38
SEN & Disability Integrat Serv	£ 17,468	£ 12,608	£ 11,423
<b>Sub-total</b>	<b>£ 36,664</b>	<b>£ 11,988</b>	<b>£ 10,736</b>
<b><u>CSC &amp; Youth Inclusion</u></b>			
Adolescent & Family Services	£ 3	£ -	-£ (2)
<b>Sub-total</b>	<b>£ 3</b>	<b>£ -</b>	<b>-£ (2)</b>
<b><u>Schools Delegated Budget</u></b>			
DSG Reserve	£ -	£ -	£ -
Retained Schools Budgets	£ 2,945	-£ (1,123)	-£ (946)
Schools Delegated Budget	-£ (39,744)	£ 1,971	£ 3,069
<b>Sub-total</b>	<b>-£ (36,799)</b>	<b>£ 848</b>	<b>£ 2,123</b>
<b>DSG Total</b>	<b>-£ (132)</b>	<b>£ 12,836</b>	<b>£ 12,857</b>

The DSG had a cumulative overspend of £24.981m at the end of 2020/21.

Merton has been selected as one of the LAs to take part in the 'safety valve' intervention programme with the DfE as it has one of the highest percentage deficits in the country as at the end of 2020/21. The programme aims to agree a package of reform to our high needs system that will bring the DSG deficit to a positive position. We have provided an updated plan to the DfE which they will present to Ministers. An update will be provided to Cabinet in February as part of the MTFs report, but if successful, we are unlikely to hear about the detail of any financial support and performance targets until late January.

From last month, Independent placement day school placements have increased from 377 in total to 378 placements.

Based on past years' experience, we are expecting the number of placements within Independent day

school provision to increase in the year. At this stage it is difficult to predict how many EHCPs will be issued, or the type of education provision they will require. Requests for EHCPs go through assessment and a decision about issuing a plan and the type of provision is made once all the professional advice is received and reviewed by the SEND Panel.

We are seeking to increase the number of local maintained special school places in the borough, which have been built into the future forecasts on the deficit, in order to reduce these costs, but it will take time to bring these additional places on stream. At present the annual increase in the number of EHCPs significantly exceeds the number of additional special school places we are able to create in the borough. Based on the number of new EHCPs still being awarded following assessment, we would expect the overall DSG deficit to be in line with current forecast. The current additional pressure of the DSG is forecast to be £12.836m for 2021/22, with an overall estimated cumulative deficit of £37.817m by year end.

Main DSG reporting variances against DSG budget is £7.4m Independent placements, £1.2m EHCPs in primary and secondary schools in Merton, £1.9m Out of Borough day schools, £1.8m special school top ups, and Out of Borough EHCPs £500k.

We continue to keep abreast of proposed changes to the National Funding Formula, especially in relation to risks associated with services currently funded by de-delegated elements of the DSG. We are also working with other authorities on the DSG deficit issue.

In addition to the pressures on the high needs block, which are clear from the budget monitoring figures highlighted above and which continue into 2022/23 and beyond, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula.

The Finance Service monitors this closely, and before any deficit budget is agreed, work is undertaken with the school to ensure they are maximising every opportunity to reduce costs and spend wisely. There are various reasons for schools requiring to set deficit budgets, increased costs relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers, reduced levels of reserves that schools would previously have used to balance their budgets and loss of income due to Covid-19. Total school balances, including capital balances, did slightly increase last year.

Merton has been working in conjunction with Association of Directors for Children's Services (ADCS), Society for London Treasurers (SLT), London Councils and the Children's Commissioner to lobby Central Government for additional funding. All commissioned analysis shows that the funding shortfall is a national issue that requires additional grant funding and whilst some extra funding has been provided, it is still insufficient to meet the increase in demand from EHCPs.

## Community and Housing

### Overview

Community and Housing is currently forecasting a favourable variance of £1.2m as at December 2021. This is made up of forecasted favourable variances in Adult Social Care of £1.6m, and a reduced unfavourable variance in Housing to £328k, and an increased unfavourable variance in Libraries of £54k. Public Health and Merton Adult Learning continue to forecast a breakeven position.

### Community and Housing Summary Position

The forecast reflects the uncertainty surrounding the impact of the pandemic on the departments' budgets which may be further affected by the Omicron variant.

Community & Housing	2021/22 Current Budget £	2021/22 Full Year Forecast £ (Dec)	2021/22 Full Year Variance £ (Dec)	2021/22 Full Year Variance £ (Nov)	2021/22 Covid-19 Forecast £ (Dec)	2021/22 Outturn Variance £ (Mar'21)
Adult Social Care	58,822	57,238	(1,584)	(1,723)	1,077	(2,947)
Libraries and Heritage	2,475	2,529	54	32	56	195
Merton Adult Learning	0	0	0	0	0	0
Housing General Fund	3,333	3,661	328	352	0	489
Public Health	(163)	(163)	0	0	0	0
<b>Total Favourable/ Unfavourable</b>	<b>64,467</b>	<b>63,265</b>	<b>(1,202)</b>	<b>(1,339)</b>	<b>1,133</b>	<b>(2,263)</b>

### Adult Social Care

Adult Social Care is forecasting a favourable variance of £1.6m for December 2021. The current position reflects an increase in placements and client contribution between November to December, of £347k plus an estimated £400k for an expected increase in activity to March. It also reflects Hospital Discharge Pathway income to date from the NHS (National Health Service) Southwest London Clinical Commissioning Group.

## Monthly Movements in Packages of Care

Month	New Customers	Deceased Customers	Customers No Longer Receiving a Service	Net Movement
April'21	48	-9	-13	26
May'21	31	-16	-18	-3
June'21	32	-17	-22	-7
July'21	45	-13	-13	19
Aug'21	43	-14	-25	4
Sept'21	53	-22	-25	6
Oct'21	58	-16	-24	18
Nov'21	50	-18	-16	16
Dec'21	57	-28	-20	9
<b>Total to Date</b>	<b>417</b>	<b>-153</b>	<b>-176</b>	<b>88</b>
<b>Average to Date</b>	<b>46</b>	<b>-17</b>	<b>-20</b>	<b>9</b>
<b>Average 2020/21</b>	<b>37</b>	<b>-27</b>	<b>-17</b>	<b>-7</b>
<b>Average 2019/21</b>	<b>34</b>	<b>-24</b>	<b>-24</b>	<b>-14</b>
<b>Average 2018/19</b>	<b>36</b>	<b>-23</b>	<b>-25</b>	<b>-11</b>

The above table shows that there were 417 new customers since April to December. It is also shows that since September new customers per month were greater than or equal to 50. The service is currently undertaking a deep dive into the placement data to ascertain reasons for this increase, this process continues but increases are in the older people cohort.

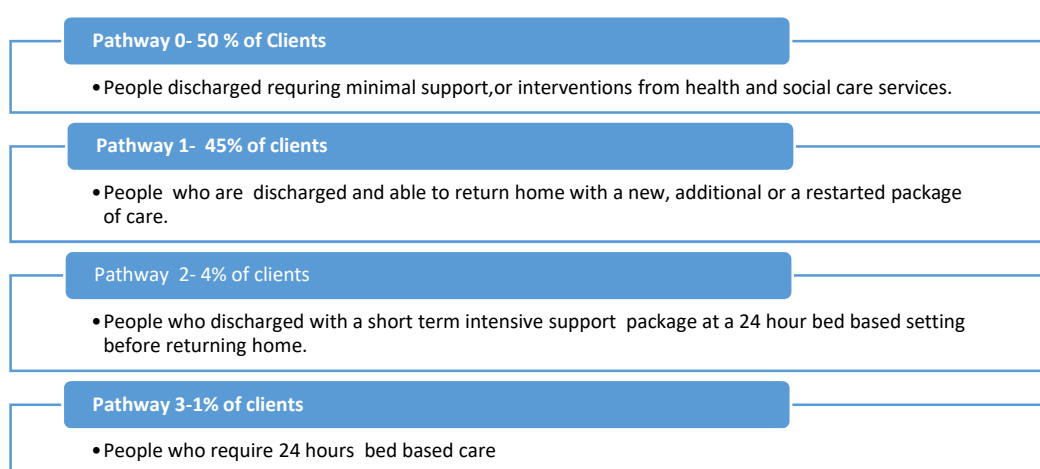
The service is now implementing the winter plan with health partners. The service successfully bid for over £1m from the NHS to support winter resources and those proposals are being implemented. One of the most significant risks to those plans are the difficulties in recruitment both by the Council, buy our partners and providers. This is true across grades and disciplines in the health and care system and has a direct impact on the ability to keep pace with discharge activity, both initial acute discharge and 4 week follow up at the end of the designated NHS funded discharge period.

The Omicron variant has added additional pressures to the system, including demand for care. Mandatory vaccination of the health and social care workforce phase two is in implementation alongside the wider push to roll out booster jabs and testing at a scale. The deadline for care home vaccination expired on the 11<sup>th</sup> of November 2021 and Merton based providers are able to cope with the impact. Phase 2 implementation is from 1<sup>st</sup> April 2022. Levels of vaccination amongst Home

Care staff is much lower so real efforts are required to increase take up ahead of the deadline. There is a risk that if insufficient home care is available, we will need to use more expensive temporary options such as residential care.

The Discharge to Assess model still continues with health partners. Customers transferred to the borough via the Hospital Discharge Pathway funded nationally for four weeks there is evidence that these customers are then transfer to new packages which will become a budget pressure in 2022/23. Based on numbers as at December the full year estimate annual effect could be £400k assuming all things remain equal. Discharge activity is expected to remain under severe pressure into 2022/23 as general hospital activity is at record levels, amplified by, but despite Omicron, together with an ever-growing backlog of elective procedures.

### Pathways: -



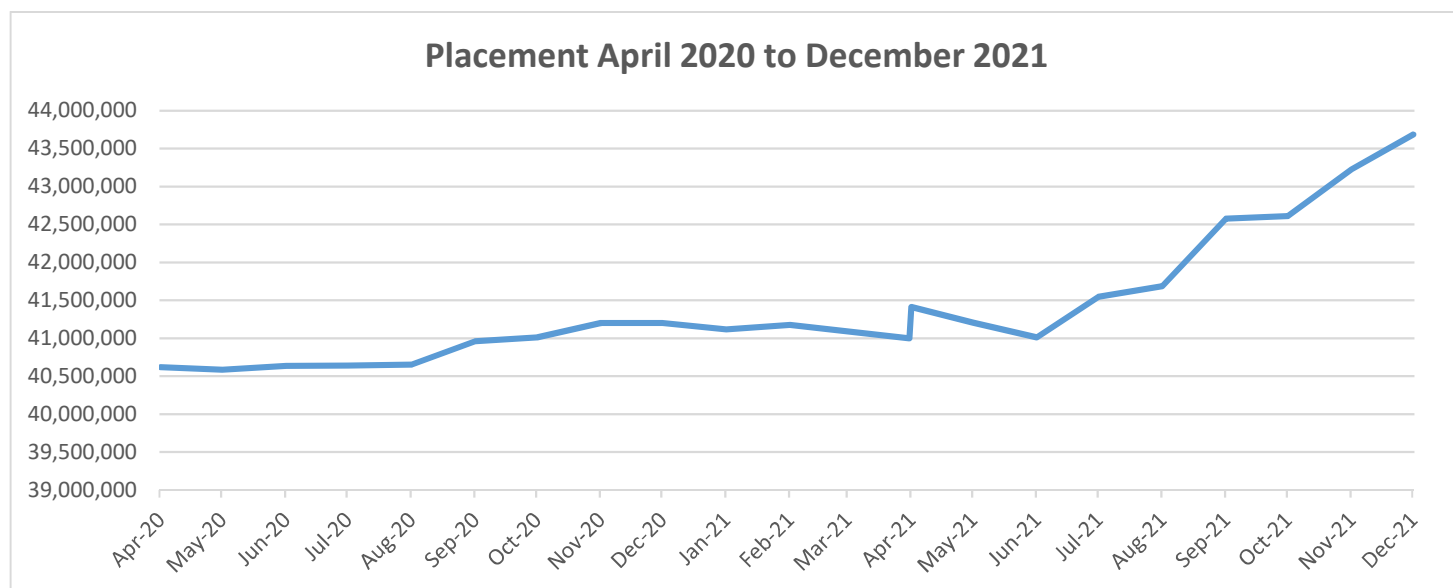
Pathway Discharge Activities			
Date	Pathway 1	Pathway 2	Pathway 3
Average April to Dec'21	35	8	3
Average April to Dec'20	25	5	3
Average April to Oct'21	34	8	3
Average April to Oct'20	24	5	2

The above table shows average number of customers discharged to LBM from April to December.

The line graph below continues to indicate that there is an upward trend in placements, and it is especially in additional support for current customers thus reason for additional £400k estimated activity added to December's forecast. Also as previously alluded to the current increase seems to be from the older people cohort which could be due to the impact of the covid-19 pandemic possibly the effects of long covid-19.

This trend may also be partly explained by sectors of the economy reopening and a return for many to more 'normal' working patterns. The upturn in trend also coincides with the winding up of the Government Furlough scheme and where family carers can no longer support people, in the same way they could through lockdowns and therefore packages of care are needed to replace this support. There can also often be a more complex presentation of need as a result. However, this

situation could also change again due to the Omicron variant and any future government guidance and restrictions.



#### **Adult Social Care Internal Provision –favourable Variance - £102k**

The Internal provision service is currently forecasting a favourable position which is an improved position since November. This is mainly due to revised forecast on budget lines that will remain unspent or less will be spent due to covid-19 and staffing costs.

This service favourable variance is a result of some underspend in salaries at JMC and Glebelands, where there have been some issues in staff recruitment. This has been delayed due to some I-Trent issues, but posts are now available to advertise. We have revised the forecast of the Merton Employment Team as we have not yet drawn on all of the additional expenditure for the planned employment pilot. This will be fully utilised in the new financial year. Salaries are stable across the service despite some sickness issues which are being tackled with HR input.

JMC reduced its forecast as some specialist equipment which was planned is not currently needed. There has been an adjustment made as a sum of £11,961 claimed in 2020/21 for Infection Control Grant usage was not utilised and this sum was not recovered last year, but has now been identified and will be reclaimed this year

#### **Library & Heritage Service- Unfavourable Variance - £54k**

This service at the end of December is showing an unfavourable variance of £54k, which is an increase of £22k since November, and this is the net effect of additional income from on-line printing and lettings but increased legal costs.

Due to the impact of the pandemic and the reduced service offering in the first half of the year there is underachieved income from fees, fines and charges. The security services contract and utilities costs also continue to overspend and have been included in forecasts since the start of the year.

Demand for services continues to recover and usage of libraries is increasing month on month.

Online services and new services like Connecting Merton, the services IT equipment loaning and training project, are in particularly high demand. The Barclay's community banking offer at 3 libraries launched in January and of a business start-up centre at Mitcham Library is scheduled to open shortly too.

### **Adult Learning- Breakeven position**

Adult Learning continues to forecast a breakeven position. Merton Adult Learning is fully funded by external grants from the GLA (Greater London Authority) and ESFA (Education and Skills Funding Agency).

Adult Learning budgets operate to an academic year and the new grant allocations from the GLA and ESFA started in August. This year's curriculum has been developed to even further focus on reskilling residents for the post-pandemic job market and has a particular focus on increasing participation from residents in priority wards in the east of the borough.

### **Housing General Fund- Unfavourable variance - £328k**

This service is currently forecasting an unfavourable variance of £328k as at December which is a net reduction of £24k since November. Please note that housing benefit forecast was not updated in December's forecast as it was not possible to process in time before the ledger closed and would have distorted the projections.

There are no further approaches from Afghan Families and currently there is only one in temporary accommodation as the second family has been rehoused in the private sector.

The demand for accommodation continues to exceed supply which creates difficulties in the rehousing of households with acute housing need including those living in expensive temporary accommodation.

However, notwithstanding the challenges of predicting demand upon the TA (Temporary Accommodation) budget there is also the need to be mindful of the effects to TA subsidy, HB (Housing Benefit) contributions and client contributions which are all factors which shape the service's predictions.

It remains the case that there has not been a significant increase in demand due to the end of the eviction ban, but there continues to be increased pressure in terms of homeless approaches due to domestic abuse following the Domestic Abuse Act.


## Analysis of Housing and Temporary Accommodation Expenditure to December 2021

Housing	Total Budget 2021/22	Forecast Expenditure (Dec'21)	Forecast Variances (Dec'21)	Forecast Variances (Nov'21)	Outturn Variances (March'21)
	£000	£'000	£'000	£'000	£000
Temporary Accommodation-Expenditure	2,439	3,503	1,064	1,064	1,286
Temporary Accommodation-Client Contribution	(140)	(331)	(191)	(191)	(253)
Temporary Accommodation-Housing Benefit Income	(2,087)	(2,552)	(465)	(465)	(931)
Temporary Accommodation-Subsidy Shortfall	322	1,155	833	833	1,029
Temporary Accommodation-Grant	0	(985)	(985)	(985)	(851)
<b>Subtotal Temporary Accommodation</b>	<b>534</b>	<b>790</b>	<b>256</b>	<b>256</b>	<b>280</b>
Housing Other Budgets	2,799	2,871	72	96	209
<b>Total Controllable (Favourable)/Unfavourable Variance</b>	<b>3,333</b>	<b>3,661</b>	<b>328</b>	<b>352</b>	<b>489</b>

The above is an analysis of Housing expenditure to date. Please note that the temporary accommodation forecast was not updated for December.



## Number of households in Temporary Accommodation as at December 2021

Temporary Accommodation	Numbers In	Numbers Out	Net Movement	Previous Year
Mar'17	-	-	186	Position as at March for previous financial years 
Mar'18	16	16	165	
Mar'19	15	11	174	
Mar'20	12	6	199	
Mar'21	11	7	197	
			2021/22	
Apr'21	12	10	199	196
May'21	16	17	198	204
June'21	9	16	191	213
July'21	24	8	207	212
Aug'21	12	12	207	210
Sept'21	19	9	217	211
Oct'21	14	16	215	214
Nov'21	13	12	216	208
Dec'21	13	10	219	200

Total numbers in temporary accommodation (TA) as at December were 219 family units this is an increase of three since November. In comparison to December 2020/21 and 2019/20 the numbers were 200 and 183, respectively. The above also demonstrates that net numbers in temporary accommodation have increased steadily since April.

### Public Health –Breakeven positions

The service is forecasting a breakeven position as at December 2021.

## Potential Cost pressures

The service continues to seek a resolution with NHS provider CLCH for both the children's contract (health visitors and school nurses) and for sexual health. The provider is currently involved in an open-book exercise.

## Covid-19 Related Programmes

The team, together with public protection, is leading on outbreak management and Covid-19 resilience, implementing the refreshed Local Outbreak Management Plan (LOMP) which includes provision of local contact tracing, support for community testing with Lateral Flow Tests (LFTS) and surge testing in cases of outbreaks and variants of concern.

LOMP implementation costs will be covered by Control Outbreak Management Fund (COMF), or directly charged to DHSC (Department of Health & Social Care) (Department of Health & Social Care) where there is a variant of concern. It is expected that the COMF will be able to be carried forward into 2022/23 in agreement with DHSC. A new grant for Community Vaccine Champions was announced recently and LBM has will receive an allocation of £485k which needs to be spent by the end of July 2022.

## Corporate Items

The details comparing actual expenditure up to 31 December 2021 against budget are contained in Appendix 2. COVID-19 corporate expenditure is again shown on a separate line:-

Corporate Items	Current Budget 2021/22 £000s	Full Year Forecast (Dec.) £000s	Forecast Variance at year end (Dec.) £000s	Forecast Variance at year end (Nov.) £000s	Outturn Variance 2020/21 £000s
<b>Impact of Capital on revenue budget</b>	<b>11,157</b>	<b>11,012</b>	<b>(145)</b>	<b>(145)</b>	<b>(27)</b>
Investment Income	(387)	(467)	(80)	(83)	(141)
Pension Fund	86	86	0	0	2,646
Pay and Price Inflation	3,338	2,813	(525)	(525)	(250)
Contingencies and provisions	24,294	19,533	(4,761)	(4,311)	331
Income Items	(2,223)	(2,223)	0	0	7,413
Appropriations/Transfers	(7,002)	(1,530)	5,472	5,472	(7,848)
<b>Central Items</b>	<b>29,262</b>	<b>29,223</b>	<b>(39)</b>	<b>408</b>	<b>2,124</b>
Levies	959	959	0	0	0
Depreciation and Impairment	(25,593)	(25,593)	0	0	0
<b>TOTAL CORPORATE PROVISIONS</b>	<b>4,628</b>	<b>4,589</b>	<b>(39)</b>	<b>408</b>	<b>2,124</b>
COVID-19 Emergency expenditure	0	818	818	833	5,356
<b>TOTAL CORPORATE EXPENDITURE inc. COVID-19</b>	<b>4,628</b>	<b>5,407</b>	<b>779</b>	<b>1,241</b>	<b>7,480</b>

Based on expenditure to 31 December 2021, a favourable variance of £39,000 is forecast for corporate expenditure items. There has been a net improvement of £447,000 in the overall position since November due to:-

- A small adverse change of £3,000 in the forecast for investment income
- An increase of £250,000 in the anticipated underspend in the corporate contingency
- It is expected that the current budget of £200,000 for loss of income arising from the P3/P4 scheme will not be required

## 5 Capital Programme 2021-25

5.1 The Table below shows the movement in the 2021/25 corporate capital programme since the last monitoring report:

Depts	Current Budget 21/22	Variance	Revised Budget 21/22	Current Budget 22/23	Variance	Revised Budget 22/23	Original Budget 2023-24	Variance	Revised Budget 23/24	Original Budget 2024-25	Variance	Revised Budget 24/25
Corporate Services	8,364	(474)	7,890	9,072		9,072	5,245		5,245	13,071		13,071
Community & Housing	1,412		1,412	2,530		2,530	972		972	720		720
Children Schools & Families	7,237	73	7,310	5,629		5,629	1,900		1,900	1,900		1,900
Environment and Regeneration	15,053	150	15,203	14,357		14,357	7,918		7,918	7,324		7,324
<b>Total</b>	<b>32,066</b>	<b>(251)</b>	<b>31,815</b>	<b>31,588</b>	<b>0</b>	<b>31,588</b>	<b>16,035</b>	<b>0</b>	<b>16,035</b>	<b>23,016</b>	<b>0</b>	<b>23,016</b>

5.2 The table below summarises the position in respect of the 2021/22 Capital Programme as at December 2021. The detail is shown in Appendix 5a.

### Capital Budget Monitoring - December 2021

Department	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2020/21	Full Year Variance
Corporate Services	1,201,675	1,467,185	(265,510)	7,889,900	3,331,093	(4,558,807)
Community and Housing	943,422	839,881	103,541	1,412,160	1,412,160	0
Children Schools & Families	5,063,204	4,568,188	495,016	7,309,840	7,309,840	0
Environment and Regeneration	7,332,279	9,234,503	(1,902,224)	15,202,780	14,819,290	(383,490)(383,490)
<b>Total</b>	<b>14,540,580</b>	<b>16,109,757</b>	<b>(1,569,177)</b>	<b>31,814,680</b>	<b>27,263,093</b>	<b>(4,551,587)</b>

a) Corporate Services – After the adjustments in the table below budget managers are projecting full spend on all budgets apart from:

	Budget 2021-22	Narrative
<u>Corporate Services</u>	-	£
Business Systems - Payroll IT System	(1)	3,000 Additional Costs Funded from a Rev. Reserve
Invest to Save - Decarbonisation Scheme	(1)	(397,240) Revised Grant Funded Scheme
Business Systems - SENDIS	(1)	(109,410) Remaining MIB Money Project 53 for Revenue
Business Systems - GIS System		29,650 Funded by Merton Improvement Board Project 56

(1) Requires Cabinet approval

- Despite regular chasing officers do not receive regular updates in relation to Westminster Coroner Court (£60k) and Clarion CPO schemes (£4,079k), both of these schemes show no expected spend at outturn.
- Within Business Systems; Public Protection and Planning (£341k), Ancillary Systems (£50k) and the Regulatory Systems Project (£29k) will not be progressed this financial year and are showing favourable variances.

b) Community and Housing – There are no budget adjustments this month and all budget managers are projecting full spend.

c) Children, Schools and Families – After adding £73k to Harris Academy Wimbledon (which is SCIL funded) and moving £15k budget from Links Primary to Sherwood Primary for capital Maintenance , officers are expecting a full spend on all budgets

The Melrose School expansion is a major scheme which is due to be completed by the end of February 2022, some two months later than expected. The contract is subject to a series of cost claims by the contractor which are being considered by the council’s appointed project manager and quantity surveyor. It may be some time before a final account contract sum is agreed.

d) Environment and Regeneration – There are no budget adjustments this months, all budget managers are projecting full spend apart from:

- Officers are projecting a £1k favourable variance on Alley Gating
- Officers are projecting a £5k favourable variance on Borough Regeneration – Bramcote Parade Improvements
- Rowan Park Community Facility a £150k favourable variance is projected as it not expected that any expenditure is likely to be incurred this financial year
- Wimbledon Park Car Park Resurfacing a £40k favourable variance is currently projected as no expenditure is expected this financial year
- Officers are projecting a £147k favourable variance on the Canons Parks for the People Scheme (split £141k within Mitcham Area Regeneration and £6k within Parks Investment).
- SLWP – Waste Bins - £10k favourable variance
- SLWP - Sub Cleanse Depot in Mitcham - £15k favourable variance
- Wimbledon Area Regeneration - Deen City Farm - £16k favourable variance from refunded grant as they were not able to progress part of the scheme

5.3 It is envisaged that the majority of favourable variances identified in paragraph 5.2 will be slipped into 2022-23.

5.4 The table below summarises the movement in the Capital Programme for 2021/22 since its approval in March 2021 (£000s):

Depts.	Original Budget 21/22	Net Slippage 2021/22	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 21/22
Corporate Services	11,205	1,123	(707)	(722)	186	(3,195)	7,890
Community & Housing	1,132	135	(50)	262	12	(80)	1,412
Children Schools & Families	9,050	432	135	1,139	73	(3,519)	7,310
Environment and Regeneration	19,408	3,141	(718)	55	1,444	(8,127)	15,203
<b>Total</b>	<b>40,795</b>	<b>4,831</b>	<b>(1,339)</b>	<b>734</b>	<b>1,714</b>	<b>(14,921)</b>	<b>31,815</b>

5.5 The table below compares capital expenditure (£000s) to December 2021 to that in previous years':

Depts.	Spend To December 2018	Spend To December 2019	Spend to December 2020	Spend to December 2021	Variance 2018 to 2021	Variance 2019 to 2021	Variance 2020 to 2021
CS	3,975	1,982	1,289	1,202	(2,774)	(781)	(87)
C&H	635	645	298	943	309	298	646
CSF	4,777	6,843	1,257	5,063	286	(1,780)	3,806
E&R	11,155	5,856	6,614	7,332	(3,823)	1,476	718
<b>Total Capital</b>	<b>20,542</b>	<b>15,327</b>	<b>9,458</b>	<b>14,541</b>	<b>(6,002)</b>	<b>(786)</b>	<b>5,083</b>

Outturn £000s	31,424	26,960	15,123	
Budget £000s				31,815
Projected Spend December 2021 £000s				27,263
Percentage Spend to Budget				45.70%
% Spend to Outturn/Projection	65.37%	56.85%	62.54%	53.33%
Monthly Spend to Achieve Projected Outturn £000s				3,808

5.6 December is three quarters of the way through the financial year and departments have spent just over 45.7% of the budget. Spend to date is higher than one of the last three previous financial years

Department	Spend To November 2021 £000s	Spend To December 2021 £000s	Increase £000s
CS	891	1,202	311
C&H	840	943	104
CSF	4,719	5,063	344
E&R	6,605	7,332	727
<b>Total Capital</b>	<b>13,055</b>	<b>14,541</b>	<b>1,486</b>

5.7 During December 2021 officers spent just under £1.5 million, to achieve year end spend officers would need to spend approximately £3.8 million each month to year end. Finance officers will continue to review in detail the projected outturn with budget managers. Based on previous years spend patterns the estimated outturn is expected to be between £21 to £24m with a most likely outturn of £22m

5.8 Appendix 5C summarises the impact of the budgetary changes to the Capital Programme on funding.

## 6 DELIVERY OF SAVINGS FOR 2021/22

### Progress on savings 2021/22

Department	Target Savings 2021/22	Projected Savings 2021/22	Period 9 Forecast Shortfall	Period Forecast Shortfall (P9)	2022/23 Expected Shortfall
	£000	£000	£000	%	£000
Corporate Services	1,322	1,090	232	17.5%	80
Children Schools and Families	1,460	410	1,050	71.9%	400
Community and Housing	2,541	1,517	1,024	40.3%	1,000
Environment and Regeneration	1,580	311	1,269	80.3%	750
<b>Total</b>	<b>6,903</b>	<b>3,328</b>	<b>3,575</b>	<b>51.8%</b>	<b>2,230</b>

Appendix 6 details the progress on unachieved savings from 2021/22 by department and the impact on the current year and next year.

### Progress on savings 2020/21

Department	Target Savings 2020/21	Shortfall 2020/21	Projected Shortfall 2021/22 (December)	Projected Shortfall 2022/23 (December)
	£000	£000	£000	£000
Corporate Services	2,718	883	213	678
Children Schools and Families	2,969	664	500	0
Community and Housing	2,460	128	128	128
Environment and Regeneration	3,927	3,373	2,837	0
<b>Total</b>	<b>12,074</b>	<b>5,048</b>	<b>3,678</b>	<b>806</b>

Appendix 7 details the progress on unachieved savings from 2020/21 by department and the impact on the current year and next year.

## 7. CONSULTATION UNDERTAKEN OR PROPOSED

7.1 All relevant bodies have been consulted.

## 8. TIMETABLE

8.1 In accordance with current financial reporting timetables.

## 9. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

## 10. LEGAL AND STATUTORY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

## **11. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

11.1 Not applicable

## **12. CRIME AND DISORDER IMPLICATIONS**

12.1 Not applicable

## **13. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

13.1 The risk of part non-delivery of savings is already contained on the key strategic risk register and will be kept under review.

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

- Appendix 1- Detailed Corporate Items table
- Appendix 2 – Pay and Price Inflation
- Appendix 3 – Treasury Management: Outlook
- Appendix 4 - Miscellaneous Debt Update December 2021
- Appendix 5A – Current Capital Programme
- Appendix 5B - Detail of Virements
- Appendix 5C - Summary of Capital Programme Funding
- Appendix 6 – Progress on savings 2021/22
- Appendix 7 – Progress on savings 2020/21

## **15. BACKGROUND PAPERS**

15.1 Budgetary Control files held in the Corporate Services department.

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APPENDIX 1

3E. Corporate Items	Original Budget 2021/22 £000s	Current Budget 2021/22 £000s	Year to Date Budget (Dec.) £000s	Year to Date Actual (Dec.) £000s	Full Year Forecast (Dec.) £000s	Forecast Variance at year end (Dec.) £000s	Forecast Variance at year end (Nov.) £000s	Outturn Variance 2020/21 £000s
Cost of Borrowing	11,157	11,157	8,368	3,762	11,012	(145)	(145)	(27)
Use for Capital Programme						0	0	0
<b>Impact of Capital on revenue budget</b>	<b>11,157</b>	<b>11,157</b>	<b>8,368</b>	<b>3,762</b>	<b>11,012</b>	<b>(145)</b>	<b>(145)</b>	<b>(27)</b>
<b>Investment Income</b>	<b>(387)</b>	<b>(387)</b>	<b>(290)</b>	<b>(341)</b>	<b>(467)</b>	<b>(80)</b>	<b>(83)</b>	<b>(141)</b>
<b>Pension Fund</b>	<b>86</b>	<b>86</b>	<b>65</b>	<b>0</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>2,646</b>
<b>Pay and Price Inflation</b>	<b>3,338</b>	<b>3,338</b>	<b>2,503</b>	<b>0</b>	<b>2,813</b>	<b>(525)</b>	<b>(275)</b>	<b>(250)</b>
Contingency	1,500	500	375	12	250	(250)	0	(365)
Bad Debt Provision	1,500	1,500	1,125	270	1,500	0	0	388
Loss of income arising from P3/P4	400	200	150	0	0	(200)	0	0
Loss of HB Admin grant	23	23	17	0	23	0	0	(23)
Apprenticeship Levy	450	450	338	97	450	0	0	(80)
Revenuisation and miscellaneous	8,005	7,544	5,658	362	3,233	(4,311)	(4,311)	411
Growth - Provision against DSG	14,078	14,078	10,559	0	14,078	0	0	0
<b>Contingencies and provisions</b>	<b>25,955</b>	<b>24,294</b>	<b>18,221</b>	<b>741</b>	<b>19,533</b>	<b>(4,761)</b>	<b>(4,311)</b>	<b>331</b>
Other income	0	0	0	(5)	0	0	0	7,413
CHAS IP/Dividend	(2,223)	(2,223)	(1,668)	(1,172)	(2,223)	0	0	0
<b>Income items</b>	<b>(2,223)</b>	<b>(2,223)</b>	<b>(1,668)</b>	<b>(1,177)</b>	<b>(2,223)</b>	<b>0</b>	<b>0</b>	<b>7,413</b>
Appropriations: CS Reserves	(1,656)	(1,156)	(867)	500	(1,156)	0	0	0
Appropriations: E&R Reserves	(50)	(337)	(253)	0	(337)	0	0	0
Appropriations: CSF Reserves	(303)	(200)	(150)	(200)	(200)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(78)	0	(104)	0	0	0
Appropriations: Public Health Reserves	(93)	(93)	(70)	0	(93)	0	0	0
Appropriations: Corporate Reserves	(5,472)	(5,112)	(3,834)	360	360	5,472	5,472	(7,848)
<b>Appropriations/Transfers</b>	<b>(7,678)</b>	<b>(7,002)</b>	<b>(5,252)</b>	<b>661</b>	<b>(1,530)</b>	<b>5,472</b>	<b>5,472</b>	<b>(7,848)</b>
<b>Depreciation and Impairment</b>	<b>(25,593)</b>	<b>(25,593)</b>	<b>0</b>	<b>0</b>	<b>(25,593)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Central Items</b>	<b>4,654</b>	<b>3,669</b>	<b>21,947</b>	<b>3,646</b>	<b>3,630</b>	<b>(39)</b>	<b>658</b>	<b>2,124</b>
<b>Levies</b>	<b>959</b>	<b>959</b>	<b>719</b>	<b>959</b>	<b>959</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CORPORATE PROVISIONS</b>	<b>5,614</b>	<b>4,628</b>	<b>22,666</b>	<b>4,606</b>	<b>4,589</b>	<b>(39)</b>	<b>658</b>	<b>2,124</b>
<b>COVID-19 Emergency expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>818</b>	<b>818</b>	<b>818</b>	<b>1,036</b>	<b>5,356</b>
<b>Sub-total: COVID-19 Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>818</b>	<b>818</b>	<b>818</b>	<b>1,036</b>	<b>5,356</b>
<b>TOTAL CORPORATE EXPENDITURE inc. COVID-19</b>	<b>5,614</b>	<b>4,628</b>	<b>22,666</b>	<b>5,423</b>	<b>5,407</b>	<b>779</b>	<b>1,694</b>	<b>7,480</b>



### Pay and Price Inflation as at December 2021

In 2021/22, the budget includes 1.5% for increases in pay and 1.5% for increases in general prices, with an additional amount which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 5.4% and RPI at 7.5% and the Council's overall revenue budget under extreme pressure, this budget will be retained as cover and only released in exceptional circumstances.

#### Pay:

As previously advised, in February 2021, unions submitted a pay claim of 10% plus other requirements but on 14 May 2021 the National Employers made a pay offer of 1.5% to the NJC unions.

On 27 July 2021, the National Employers made a "final offer" as follows:

- With effect from 1 April 2021, an increase of 2.75 per cent on NJC pay point 1
- With effect from 1 April 2021, an increase of 1.75 per cent on all NJC pay points 2 and above
- Completion of the outstanding work of the joint Term-Time Only review group

The employers also considered non-pay elements of union proposals and hope joint discussions can begin on the basis of the following:-

- A national minimum agreement on homeworking policies for all councils

In response the unions UNISON, GMB and Unite are urging local government employers to rethink their revised pay offer of a 1.75% pay rise (with 2.75% for those on the bottom pay point) for 2021/22 by "awarding an increase that will properly and fairly reward council and school support staff". Unite are to ballot its 70,000 members on whether they should take industrial action, including the option to strike. The ballot will run from 1 September 2021 to 4 October 2021. Unions have consulted their members and further information about future action is awaited.

With 1.5% provided for a pay award in 2021/22, if unions accept the 1.75% offer it will require additional budget of c.£0.225m in 2021/22 and future years. (a 1% increase costs c.£0.9m per year).

#### Prices:

The Consumer Prices Index (CPI) rose by 5.4% in the 12 months to December 2021, up from 5.1% in November. On a monthly basis, CPI increased by 0.5% in December 2021, compared with a rise of 0.3% in December 2020. The largest upward contributions to the December 2021 12-month inflation rate came from housing and household services and transport, principally from motor fuels and second-hand cars.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 4.8% in the 12 months to December 2021, up from 4.6% in the 12 months to November. The largest upward contributions to the change in the CPIH 12-month inflation rate between November and December 2021 came from food and non-alcoholic beverages, restaurants and hotels, furniture and household goods, and clothing and footwear. These were partially offset by large downward contributions to change from transport, and recreation and culture.

The RPI rate for December 2021 was 7.5%, which is up from 7.1% in November 2021.

### 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. Previously at a special meeting on 19 March 2020, the Monetary Policy Committee (MPC) unanimously voted to cut interest rates from 0.25% to 0.1% and to increase holdings of UK government and corporate bonds by £200bn in response to the COVID-19 crisis.

At its meeting ending on 15 December 2021, the MPC voted by a majority of 8-1 to increase Bank Rate by 0.15 percentage points, to 0.25%. The Committee voted unanimously for the Bank of England to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £875 billion, and so the total target stock of asset purchases at £895 billion. The minutes of the next meeting of the MPC will be published on 3 February 2022.

The MPC state that "In the MPC's central projections in the November Monetary Policy Report, global and UK GDP were expected to recover further from the effects of Covid-19 (Covid) in the near term. Conditioned on the rising path for Bank Rate expected by financial markets at that time, upward pressure on CPI inflation was expected to dissipate over time, as supply disruption eased, global demand rebalanced from goods to services, and energy prices stopped rising. Earnings growth was also expected to fall back from its current rate. As a result, inflation was projected to fall back materially from the second half of next year.."

In terms of the outlook going forward, however, the MPC believe that "relative to the November Report projection, there has been significant upside news in core goods and, to a lesser extent, services price inflation. Bank staff expect inflation to remain around 5% through the majority of the winter period, and to peak at around 6% in April 2022, with that further increase accounted for predominantly by the lagged impact on utility bills of developments in wholesale gas prices. Indicators of cost and price pressures have remained at historically elevated levels recently, and contacts of the Bank's Agents expect further price increases next year driven in large part by pay and energy costs. CPI inflation is still expected to fall back in the second half of next year....The Committee judges that an increase in Bank Rate of 0.15 percentage points is warranted at this meeting."

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

**Table: Forecasts for the UK Economy**

Source: HM Treasury - Forecasts for the UK Economy (January 2022)			
	Lowest %	Highest %	Average %
2021 (Quarter 4)			
CPI	3.5	5.1	4.7
RPI	6.0	6.8	6.6
LFS Unemployment Rate	4.0	4.7	4.4
2022 (Quarter 4)			
CPI	1.6	5.1	3.5
RPI	3.3	6.8	5.0
LFS Unemployment Rate	3.6	4.7	4.2

Independent medium-term projections for the calendar years 2021 to 2025 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (November 2021)					
	2021	2022	2023	2024	2025
	%	%	%	%	%
CPI	2.4	4.0	2.6	2.5	2.3
RPI	3.8	5.8	4.1	3.7	3.5
LFS Unemployment Rate	4.7	4.6	4.2	4.1	4.1

## Treasury Management: Outlook

The Bank's Monetary Policy Committee (MPC) sets monetary policy to keep inflation low and stable, which supports growth and jobs. Subject to maintaining price stability, the MPC is also required to support the Government's economic policy. The Government has set the MPC a target for the 12-month increase in the Consumer Prices Index of 2%.

The MPC currently uses two main monetary policy tools.

1. setting the interest rate that banks and building societies earn on deposits, or 'reserves', placed with the Bank of England — this is Bank Rate.
2. buying government and corporate bonds, financed by the issuance of central bank reserves — this is asset purchases or quantitative easing.

At its meeting ending on 15 December 2021, the MPC voted by a majority of 8-1 to increase Bank Rate by 0.15 percentage points, to 0.25%. The Monetary Policy Committee's (MPC's) core approach is summarised in the minutes as they note that "The MPC's remit is clear that the inflation target applies at all times, reflecting the primacy of price stability in the UK monetary policy framework. The framework also recognises that there will be occasions when inflation will depart from the target as a result of shocks and disturbances. In the recent unprecedented circumstances, the economy has been subject to very large shocks. Given the lag between changes in monetary policy and their effects on inflation, the Committee, in judging the appropriate policy stance, will as always focus on the medium term prospects for inflation, rather than factors that are likely to be transient."

The MPC outlined the background behind the decision as "in the United Kingdom, market-implied expectations for the path of Bank Rate had fallen sharply immediately following the MPC's November meeting. Market contacts were expecting Bank Rate to rise in the coming months. In the days running up to the MPC's December meeting, most contacts had expected Bank Rate to remain at 0.1% at this meeting. Following the UK CPI release on 15 December, however, market pricing had become more finely balanced between Bank Rate remaining at 0.1% and an increase of 15 basis points at this meeting. Further out, the market-implied path for Bank Rate reached 1.1% by the end of 2022. Volatility in UK short-term interest rate markets had remained elevated since the Committee's previous meeting, in part reflecting diminished market liquidity, some of which was expected to persist over the year-end period. Medium-term inflation compensation measures in the United Kingdom had remained above their average levels of the past decade. That contrasted with similar measures in the United States and the euro area which had been around their average levels of the past decade. As the Committee had discussed at its previous meeting, interpreting UK medium-term inflation compensation measures was not straightforward. The use of UK inflation markets for hedging large pension liabilities and the uncertain future wedge between consumer price and RPI inflation meant that inflation compensation measures did not provide a direct read of market participants' fundamental views on the inflation outlook. Nevertheless, models that attempted to extract medium-term market expectations for CPI inflation, and intelligence gathered from market contacts, suggested that higher inflation expectations and greater perceived risks to inflation might have in part accounted for the above-average levels of medium-term inflation compensation measures, alongside other factors.

At this meeting, most members of the Committee judged that an immediate, small increase in Bank Rate was warranted. Although the conditions for tightening set out in November had been met, the decision at this meeting was finely balanced because of the uncertainty around Covid developments. There was some value in waiting for further information on the degree to which

Omicron was likely to escape the protection of current vaccines and on the initial economic effects of this new wave. There was, however, also a strong case for tightening monetary policy now, given the strength of current underlying inflationary pressures and in order to maintain price stability in the medium term. The economic impact of the new variant could, in some scenarios, increase these inflationary pressures further. Moreover, maintaining the current monetary policy stance when CPI inflation was materially above the 2% target and the output gap appeared to be closed might cause medium-term inflation expectations to drift up further.”

In the November 2021 Monetary Policy report the MPC has used the following projections implied by current data trends:-

	Projections (November 2021)			
	2021 Q.4	2022 Q.4	2023 Q.4	2024 Q.4
GDP	6.7	2.9	1.1	0.9
CPI Inflation	4.3	3.4	2.2	1.9
LFS Unemployment Rate	4.5	4.0	4.1	4.4
Excess Supply/Excess Demand	0.25	0.25	0	-0.5
Bank Rate	0.2	1.0	1.1	1.0

The conclusions that the MPC reach in the November 2021 Monetary Policy Report are supported by the following Key Judgements:--

Key judgement 1: supply disruption constrains global and UK activity in the near term, and bottlenecks exert upward pressure on prices, but they dissipate over time as demand and supply adjust.

Key judgement 2: UK unemployment does not rise materially over the forecast period, and any frictions in matching workers and jobs are temporary, with underlying wage growth falling back from current rates

Key judgement 3: by the end of the forecast period, supply growth returns to around 1½%; demand growth is somewhat lower.

Key judgement 4: inflation rises further above the target in the near term, largely reflecting the impact of transitory factors; in the medium term, conditioned on the market-implied path for Bank Rate, inflation falls back to just under 2%.

## Appendix 4

### Subject: Miscellaneous Debt Update December 2021

#### 1. LATEST ARREARS POSITION – MERTON’S AGED DEBTORS REPORT

- 1.1 A breakdown of departmental net miscellaneous debt arrears, as at 31 December 2021, is shown in column F of the table below.

Sundry Debtors aged balance – 31 December 2021 – not including debt that is less than 30 days old  
(Please note the new system reports debt up to 30 days whereas previously we reported up to 39 days)

Department a	30 days to 6 months b	6 months to 1 year c	1 to 2 years d	Over 2 years e	Dec 21 arrears f	Sept 21 arrears	Direction of travel
	£	£	£	£	£	£	
Env & Regeneration	£1,653,991	£754,881	£439,329	£729,563	£3,577,764	£4,736,030	↓
Corporate Services	£574,150	£164,633	£114,742	£119,257	£972,782	£942,241	↑
Housing Benefits	£549,781	£260,573	£571,180	£3,439,948	£4,821,482	£4,650,972	↑
Children, Schools & Families	£310,668	£139,203	£209,718	£495,514	£1,155,103	£1,182,089	↓
Community & Housing	£927,898	£914,971	£848,411	£1,363,862	£4,055,142	£7,991,705	↓
Chief Executive's					£0	£0	-
CHAS 2013	£40,135	£1,462	£0	£0	£41,598	£100,654	↓
Total	£4,056,622	£2,235,724	£2,183,381	£6,148,144	£14,623,870	£19,603,690	↓

- 1.3 Since the position was last reported on 30 September 2021, the net level of arrears, i.e. invoices over 30 days old, has reduced by £4,979,820.
- 1.4 Since last reported at the end of September there has been small increases in debt for Corporate Services and Housing Benefit.
- 1.5 The debt recovery team continue to proactively pursue all outstanding sundry debt, working with service departments to improve collection.

#### 2 IMPACT OF COVID19

- 2.1 Towards the end of March 20, all recovery action for council tax, business rates, sundry debt, parking PCN's and enforcement work ceased.
- 2.2 Gradually over the next year recovery action was re-commenced for all debt types.

### 2.3 Council Tax

- 2.4 At the end of March 2021, the full year collection rate was 0.98% down from the previous year. The shortfall in council tax income for the year was £1.197 million, Merton's share of this shortfall was £946,000.
- 2.5 The collection rate for 2021/22 as at the end of December was 83.76%, this is a slight increase from 2020/21 when the collection rate was 83.48%. Just over £110.5 million in council tax has been collected.
- 2.6 Normal recovery action for non-payment of council tax has been undertaken with reminders, SMS and summonses being issued. Monthly remote Liability Order Hearings are taking place.
- 2.7 Debts are also regularly being referred to the enforcement team to pursue debts where the residents have failed to contact us or adhere to payment arrangements
- 2.8 At the end of March 21 the arrears figure for all previous years council tax debt was £10.927 million. As at the end of December 21 this has reduced to £7.858 million.

### 2.9 Business Rates

- 2.10 At the end of March 2021, the full year collection rate was 7.87% down from the previous year. The shortfall in business rates income for the year was £3.814 million, Merton's share of this shortfall was £1.144 million.
- 2.11 The collection rate for 2021/22 as at the end of December was 74.43%, this is an increase on the 2020/21 figure of 73.76%. Just over £56.5 million has been collected.
- 2.12 From the 1<sup>st</sup> April 2021 to 30 June 2021 100% retail and nursery relief had been granted to all qualifying businesses. From 1<sup>st</sup> July this relief reduced to 66%. This means that many retail, hospitality, leisure businesses, and nurseries received a rates bill for the first time in 15 months.
- 2.13 For the five years prior to the pandemic the yearly collection rate was between 97.7% and 98.8%. Last year the collection rate was 90.08%. The collection rate for 2021/22 is on course to be higher than last year.
- 2.14 The government has provided funding of £4.7 million to reduce business rates bills for businesses that had not received the extended retail relief or nursery relief. This will be an application based process that will commence in February. Whilst it may not be possible to credit business rates accounts before the end of March this additional funding will improve the collection rate further for 2021/22.
- 2.15 Recovery action has taken place although where businesses are contacting us for help we are continuing to defer their payments for both this year and last year. Reminders and summonses have been issued and we have obtained Liability Orders for non-payment against some businesses. Selected cases have been passed to the enforcement team for collection

### 2.16. Sundry Debt

- 2.17 As detailed in the table above in 1.2, debt older than 30 days for all departments has reduced since September 21 by just under £5 million.
- 2.18 Normal recovery action continues to take place, with reminders and final notices being issued.
- 2.19 Staff are progressing cases to the in-house legal service for collection.
- 2.20 Adult Social Care debt has reduced from £3.876 million at the end of September 21 to £3.211 million at the end of December 21. A reduction of £665,000
- 2.21 The overall trend is that Adult Social Care debt has reduced over the past two years. In June 20 the debt was £4.648 million. The current debt level is the lowest it has been. The improvements to working processes, targeted collection, increased legal action and ongoing monitoring has contributed to the improvement
- 2.22 Housing Benefit Overpayments**
- 2.23 Housing Benefit overpayment debt has reduced from £6.995 million in September 21 to £6.784 million at the end of December 21.
- 2.24 A large proportion of the housing benefit debts not on payment arrangements are over two years old. An exercise has commenced to target these debts to establish where recovery is possible. It is likely that some will have to be written off as uncollectable.

### 3. TOTAL DEBT DUE TO MERTON

The total amount due to Merton as at 30 September 21 is detailed in the table below.

Total debt outstanding as at 31 December 21 and compared with previous periods over the past 15 months

	<b>Sep-20</b>	<b>Dec-20</b>	<b>Mar-21</b>	<b>Jun-21</b>	<b>Sep-21</b>	<b>Dec-21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Miscellaneous sundry debt Note 1	15,943,871	16,453,772	16,414,842	17,762,694	19,775,064	17,859,937
Housing Benefit debt	7,611,691	7,342,968	7,190,534	7,186,188	6,995,264	6,784,811
Parking Services	3,967,251	4,895,362	4,661,940	4,201,421	4,724,415	4,975,404
Council Tax Note 2	7,721,592	7,139,145	10,927,588	9,054,527	8,579,459	7,858,125
Business Rates Note 3	3,689,921	3,611,524	8,414,383	6,234,231	5,258,727	3,003,815
<b>Total</b>	<b>38,934,326</b>	<b>39,442,771</b>	<b>47,609,287</b>	<b>44,439,061</b>	<b>45,332,929</b>	<b>40,482,092</b>

**Note 1** The amount shown against miscellaneous sundry debt above differs from the amount shown in table 1 as it shows all debt, including debt which is less than 30 days old and table



1only includes debt over 30 days old and also includes housing benefit overpayments which is shown separate in the table above.

Note 2 Council tax debt now includes unpaid council tax for 2020/21 in March 21 figures hence the increase.

Note 3 Business rates debt now includes unpaid business rates for 2020/21 in March 21 figure hence the increase.

3.1 The overall debt outstanding has reduced by £4,850,837 since last reported at the end of September 21.

3.2 A more relevant comparison is between December 20 and December 21. The changes in outstanding debt are as follows

Overall £1,039,321 increase  
 Sundry debt £1,406,165 increase  
 Housing Benefit 558,157 decrease  
 Council Tax £718,980 increase  
 Parking £80,042 increase  
 Business Rates £607,709 decrease

3.3 The increase in previous years debts for council tax is due to the lower collection rates due to the impact of the pandemic and the fact that we have not undertaken normal recovery action during the year.

3.4 There has been a large reduction of business rates debt between September 21 and December 21. This was due to an exercise to write off of old debts where the businesses had gone into liquidation. This resulted in £1.4 million of debt written off.

3.5 Detailed breakdowns of the Council Car Parking figures as at 31 December 2021 are shown in the table below:

Age of Debt			
Age of Debt	Outstanding	Number of PCNs	Average Value
0-3 months	£		£
3-6 months	£1,580,052	13,559	£116
6-9 months	£790,121	4,696	£168
9-12 months	£591,748	3,266	£181
12-15 months	£233,640	1,285	£181
Older than 15 months	£381,912	2,148	£178
<b>Total</b>	<b>£1,397,931</b>	<b>7,772</b>	<b>£179</b>
	<b>£4,975,404</b>	<b>32,726</b>	<b>£152</b>
<b>Total September 2021</b>			
	<b>£4,724,415</b>	<b>33,402</b>	
<b>Increase/-decrease</b>			
	<b>£250,989+</b>	<b>676-</b>	

**Capital Budget Monitoring – December 2021**

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2021/22	Full Year Variance
<b>Capital</b>	<b>14,540,580</b>	<b>16,109,757</b>	<b>(1,569,177)</b>	<b>31,814,680</b>	<b>26,872,383</b>	<b>(4,942,297)</b>
<b>Corporate Services</b>	<b>1,201,675</b>	<b>1,467,185</b>	<b>(265,510)</b>	<b>7,889,900</b>	<b>3,331,093</b>	<b>(4,558,807)</b>
<b>Customer, Policy and Improvmen</b>	<b>113,383</b>	<b>0</b>	<b>113,383</b>	<b>150,000</b>	<b>150,000</b>	<b>0</b>
Customer Contact Programme	113,383	0	113,383	150,000	150,000	0
<b>Facilities Management Total</b>	<b>415,259</b>	<b>952,240</b>	<b>(536,981)</b>	<b>972,890</b>	<b>972,890</b>	<b>0</b>
Works to other buildings	374,940	455,000	(80,060)	740,000	740,000	0
Civic Centre	0	0	0	60,000	60,000	0
Invest to Save schemes	40,319	497,240	(456,921)	172,890	172,890	0
<b>Infrastructure &amp; Transactions</b>	<b>473,033</b>	<b>314,945</b>	<b>158,088</b>	<b>2,427,550</b>	<b>2,008,203</b>	<b>(419,347)</b>
Business Systems	185,789	121,640	64,149	900,670	481,323	(419,347)
Social Care IT System	68,290	0	68,290	47,770	47,770	0
Disaster recovery site	0	0	0	332,960	332,960	0
Planned Replacement Programme	218,954	193,305	25,649	1,146,150	1,146,150	0
<b>Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Financial System	0	0	0	0	0	0
<b>Corporate Items</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>	<b>4,339,460</b>	<b>200,000</b>	<b>(4,139,460)</b>
Acquisitions Budget	200,000	200,000	0	200,000	200,000	0
Capital Bidding Fund	0	0	0	0	0	0
Multi Functioning Device (MFD)	0	0	0	0	0	0
Westminster Ccl Coroners Court	0	0	0	60,000	0	(60,000)
Corporate Capital Contingency	0	0	0	0	0	0
Compulsory Purchase Orders	0	0	0	4,079,460	0	(4,079,460)
<b>Community and Housing</b>	<b>943,422</b>	<b>839,881</b>	<b>103,541</b>	<b>1,412,160</b>	<b>1,412,160</b>	<b>0</b>
<b>Adult Social Care</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Telehealth	0	0	0	0	0	0
<b>Housing</b>	<b>822,614</b>	<b>700,000</b>	<b>122,614</b>	<b>1,212,330</b>	<b>1,212,330</b>	<b>0</b>
Disabled Facilities Grant	822,614	700,000	122,614	1,212,330	1,212,330	0
Major Projects - Social Care H	0	0	0	0	0	0
<b>Libraries</b>	<b>120,807</b>	<b>139,881</b>	<b>(19,074)</b>	<b>199,830</b>	<b>199,830</b>	<b>0</b>
Library Enhancement Works	0	0	0	0	0	0
Major Library Projects	120,807	123,081	(2,274)	175,830	175,830	0
Libraries IT	0	16,800	(16,800)	24,000	24,000	0

\* It is envisaged that some of the costs of the technology partner will be funded from this budget

**Capital Budget Monitoring – December 2021**

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2021/22	Full Year Variance
<b>Children Schools &amp; Families</b>	<b>5,063,204</b>	<b>4,568,188</b>	<b>495,016</b>	<b>7,309,840</b>	<b>7,309,840</b>	<b>0</b>
<b>Primary Schools</b>	<b>1,939,293</b>	<b>1,632,958</b>	<b>306,335</b>	<b>2,922,910</b>	<b>2,922,910</b>	<b>0</b>
Hollymount	50,226	50,000	226	60,000	60,000	0
West Wimbledon	304,516	170,000	134,516	360,000	360,000	0
Hatfeild	44,566	65,000	(20,434)	135,000	135,000	0
Hillcross	153,507	93,093	60,414	195,000	195,000	0
Joseph Hood	28,881	38,000	(9,119)	65,000	65,000	0
Dundonald	128,832	113,625	15,207	159,010	159,010	0
Merton Abbey	50,605	15,000	35,605	65,000	65,000	0
Merton Park	3,156	0	3,156	50,000	50,000	0
Pelham	37,375	20,000	17,375	55,000	55,000	0
Wimbledon Chase	88,981	97,340	(8,359)	181,000	181,000	0
Wimbledon Park	194,880	303,330	(108,450)	450,000	450,000	0
Abbotsbury	63,232	59,200	4,032	79,000	79,000	0
Malmesbury	96,261	78,000	18,261	108,000	108,000	0
Morden	(2,219)	0	(2,219)	0	0	0
Bond	27,900	7,000	20,900	38,000	38,000	0
Cranmer	20,986	18,000	2,986	64,000	64,000	0
Haslemere	8,264	0	8,264	80,000	80,000	0
Liberty	(487)	0	(487)	0	0	0
Links	121,941	120,000	1,941	145,000	145,000	0
St Marks	96,854	60,900	35,954	125,900	125,900	0
Lonesome	(1,875)	0	(1,875)	5,000	5,000	0
Sherwood	291,402	248,520	42,882	345,000	345,000	0
William Morris	131,509	75,950	55,559	158,000	158,000	0

**Capital Budget Monitoring – December 2021**

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2021/22	Full Year Variance
<b>Secondary School</b>	<b>350,497</b>	<b>341,265</b>	<b>9,232</b>	<b>484,170</b>	<b>484,170</b>	<b>0</b>
Harris Academy Merton	0	25,628	(25,628)	34,170	34,170	0
Rutlish	27,408	12,295	15,113	40,000	40,000	0
Harris Academy Wimbledon	323,090	303,342	19,748	410,000	410,000	0
<b>SEN</b>	<b>2,503,650</b>	<b>2,350,083</b>	<b>153,567</b>	<b>3,506,310</b>	<b>3,506,310</b>	<b>0</b>
Perseid	259,226	245,425	13,801	369,130	369,130	0
Cricket Green	131,670	195,480	(63,810)	195,480	195,480	0
Melrose	2,076,277	1,777,878	298,399	2,590,000	2,590,000	0
Melrose Whatley Ave SEN	24,023	45,000	(20,977)	100,000	100,000	0
Unallocated SEN	6,832	10,000	(3,168)	20,000	20,000	0
Melbury College - Smart Centre	(1,857)	4,165	(6,022)	7,500	7,500	0
Medical PRU	0	52,500	(52,500)	200,000	200,000	0
Mainstream SEN (ARP)	7,480	19,635	(12,155)	24,200	24,200	0
<b>CSF Schemes</b>	<b>269,763</b>	<b>243,882</b>	<b>25,881</b>	<b>396,450</b>	<b>396,450</b>	<b>0</b>
Devolved Formula Capital	267,363	237,632	29,731	356,450	356,450	0
Children's Centres	0	6,250	(6,250)	20,000	20,000	0
Youth Provision	2,400	0	2,400	20,000	20,000	0

**Capital Budget Monitoring – December 2021**

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2021/22	Full Year Variance
<b>Environment and Regeneration</b>	<b>7,332,279</b>	<b>9,234,503</b>	<b>(1,902,224)</b>	<b>15,202,780</b>	<b>14,819,290</b>	<b>(383,490)</b>
<b>Public Protection and Development</b>	<b>135,461</b>	<b>382,660</b>	<b>(247,199)</b>	<b>882,110</b>	<b>882,110</b>	<b>0</b>
On Street Parking - P&D	0	278,000	(278,000)	530,000	530,000	0
Off Street Parking - P&D	81,167	19,950	61,217	120,000	120,000	0
CCTV Investment	45,974	84,710	(38,736)	222,110	222,110	0
Public Protection and Development	8,320	0	8,320	10,000	10,000	0
<b>Street Scene &amp; Waste</b>	<b>180,008</b>	<b>298,790</b>	<b>(118,782)</b>	<b>747,000</b>	<b>721,000</b>	<b>(26,000)</b>
Fleet Vehicles	298,792	298,790	2	673,000	673,000	0
Alley Gating Scheme	389	0	389	2,000	1,000	(1,000)
Waste SLWP	(119,173)	0	(119,173)	72,000	47,000	(25,000)
<b>Sustainable Communities</b>	<b>7,016,810</b>	<b>8,553,053</b>	<b>(1,536,243)</b>	<b>13,573,670</b>	<b>13,216,180</b>	<b>(357,490)</b>
Street Trees	20,328	0	20,328	134,590	134,590	0
Raynes Park Area Roads	2,188	0	2,188	2,970	2,970	0
Highways & Footways	4,636,107	5,472,898	(836,791)	7,335,690	7,335,541	(149)
Cycle Route Improvements	109,596	104,040	5,556	217,650	217,650	0
Mitcham Area Regeneration	958,810	1,069,890	(111,080)	1,840,230	1,549,480	(290,750)
Wimbledon Area Regeneration	94,377	48,191	46,186	378,160	361,744	(16,416)
Morden Area Regeneration	0	30,000	(30,000)	75,000	75,000	0
Borough Regeneration	236,717	82,204	154,513	823,180	818,525	(4,655)
Morden Leisure Centre	15,846	0	15,846	15,850	15,850	0
Wimbledon Park Lake and Waters	251,484	824,572	(573,088)	1,177,960	1,177,960	0
Sports Facilities	132,569	284,095	(151,526)	410,470	410,470	0
Parks	558,789	637,163	(78,374)	1,161,920	1,116,400	(45,520)

## Virement, Re-profiling and New Funding - December 2021

		2021/22 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2021/22 Budget	Narrative
-		£	£		£	£	
<b><u>Corporate Services</u></b>							
Business Systems - Payroll IT System	(1)	153,200		3,000		156,200	Additional Costs Funded from a Rev. Reserve
Invest to Save - Decarbonisation Scheme	(1)	497,240		(397,240)		100,000	Revised Grant Funded Scheme
Business Systems - SENDIS	(1)	157,180		(109,410)		47,770	Remaining MIB Money Project 53 for Revenue
Business Systems - GIS System		48,550		29,650		78,200	Funded by Merton Improvement Board Project 56
<b><u>Children, Schools and Families</u></b>							
Harris Academy Wimbledon	(1)	337,260		72,740		410,000	SCIL Funding for additional costs of the scheme
Links - Capital Maintenance	(1)	160,000	(15,000)			145,000	Virement reflecting projected outturn
Sherwood - Capital Maintenance	(1)	330,000	15,000			345,000	Virement reflecting projected outturn
<b><u>Environment and Regeneration</u></b>							
Borough Regeneration - Carbon Offset Funding	(1)	0		150,000		150,000	Section 106 Scheme
<b>Total</b>		<b>1,683,430</b>	<b>0</b>	<b>(251,260)</b>	<b>0</b>	<b>1,432,170</b>	

(1) Requires Cabinet approval

(2) Requires Council Approval

### Capital Programme Funding Summary 2021/22

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
<b>Proposed November Monitoring</b>	<b>16,842</b>	<b>15,224</b>	<b>32,066</b>
<b><u>Corporate Services</u></b>			
Business Systems - Payroll IT System	3	0	3
Invest to Save - De Carbonisation Scheme	0	(397)	(397)
Business Systems - SENDIS	(109)	0	(109)
Business Systems - GIS System	30	0	30
<b><u>Children, Schools and Families</u></b>			
Harris Academy Wimbledon	73	0	73
<b><u>Environment and Regeneration</u></b>			
Borough Regeneration - Carbon Offset Funding	150	0	150
<b>Proposed December Monitoring</b>	<b>16,988</b>	<b>14,827</b>	<b>31,815</b>

**APPENDIX 6**

<b>Department</b>	<b>Target Savings 2021/22</b>	<b>Projected Savings 2021/22</b>	<b>Period 9 Forecast Shortfall</b>	<b>Period Forecast Shortfall (P9)</b>	<b>2022/23 Expected Shortfall</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>£000</b>
Corporate Services	1,322	1,090	232	17.5%	80
Children Schools and Families	1,460	410	1,050	71.9%	400
Community and Housing	2,541	1,517	1,024	40.3%	1,000
Environment and Regeneration	1,580	311	1,269	80.3%	750
<b>Total</b>	<b>6,903</b>	<b>3,328</b>	<b>3,575</b>	<b>51.8%</b>	<b>2,230</b>



DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2021-22

Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Achieved £000	Shortfall	RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	2022/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>SUSTAINABLE COMMUNITIES</b>											
ENV2021-01	Future Merton: Street works team income (increase in income)	100	100	0	G	100	0	G	James McGinlay		
ENV1920-06	Future Merton: Highways advertising income through re-procurement of the advertising contract for the public highway.	70	0	70	R	70	0	G	James McGinlay	Covid-19 estimated to impact on saving. Should be achieved from 2022/23.	Y
ENV2021-10	D&BC: Savings as a result of the 'Assure' M3 upgrade . Reduce BC/DC admin by 1 FTE	15	15	0	A	15	0	G	James McGinlay	Staff issue with the admin manager being off sick has delayed progress.	Y
ENV2021-02	D&BC: Increase PPA's income (increased income) through a dedicated Majors team	80	0	80	R	80	0	G	James McGinlay	Staff issue with the admin manager being off sick has delayed progress.	Y
ENV2021-05	D&BC: Reduction in various minor budget spends	12	12	0	G	12	0	G	James McGinlay		
<b>PUBLIC PROTECTION</b>											
ENV1819 - 04	Parking: Reduction in the number of pay & display machines required.	26	26	0	G	26	0	G	Cathryn James	Please refer to Item ENV 2021-04 below where the modernisation project is due to be rolled out in October 2021 and will deliver the reduction targets.	
ENV1920-01	Parking: Application to change Merton's PCN charge band from band B to band A. To effect this a full business case will need to be presented to Full Council. Following this, an application will be made to the London Councils Transport, and Environment Committee. Depending on the outcome at the Committee, the Mayor will also be required to ratify the application and the Secretary of State has final sign off. This 'saving' reflects the impact on estimated revenue until motorist compliance takes full effect .The objective is to reduce non-compliance but if the band change is implemented it is likely that there will be a short term increase in revenue.  The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	340	56	284	R	340	0	G	Cathryn James	Following the consultation process and approval by Merton, approved is required by the following: London Councils, GLA, Mayor for London and Secretary of State. Applications are now with Secretary of state for final sign off. Possible implementation date Q4 2022.  Process was delayed due to London Mayoral Election, officers working with GLA to progress the application. Additional questions raised by GLA have now been responded to and approved. Estimated operational date Feb 2022 resulting in 2 months (£56k) pro rata of this saving being achieved. to be sent by GLA to Mayor for London.	Y
ENV2021-04	Parking: EBC - potentially commencing in 2nd half of 2021/22. Assumes a 10% reduction in 2023/24, and a further 10% in 2024/25.	750	0	750	R	0	750	R	Cathryn James	EBC no longer going ahead - saving to be removed from next financial year. In th current year this has been met from the corporate contingency.	Y
ENV2021-08	Parking: Activity to improve On Street parking compliance.	100	50	50	R	100	0	A	Cathryn James	Due to Covid and current on street activity this saving has not been met in Q1-3 2021. Operational consideration now being worked through for implementation in Q4. Possible Risk £50k will be achieved next year rather than this financial year.	Y
ENV2021-06	Service restructure across Safer Merton and CCTV	35	0	35	R	35	0	A	Cathryn James	Cost pressures within the CCTV budget present a challenge to meeting this savings target. The CCTV upgrade programme will reduce the CCTV revenue costs (e.g. the upgrades to the network will lower data transmission costs), therefore the delivery of these savings is contingent on the timely implantation of the upgrade programme.	Y
<b>PUBLIC SPACE</b>											

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2021-22

Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Achieved £000	Shortfall	RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	2022/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
ENV2021-09	Zero tolerance approach to littering and environmental offences leading to increase in the intensification of patrols and subsequent fix penalty notices being issued.	52	52	0	G	52	0	G	John Bosley		
<b>Total Environment and Regeneration Savings 2021/22</b>		<b>1,580</b>	<b>311</b>	<b>1,269</b>		<b>830</b>	<b>750</b>				

## DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2021/22

Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Forecast £000	Shortfall	RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
<b>Customers, Policy &amp; Improvement</b>											
2019-20 CS28	cash collection reduction	19	19	0	G	19	0	G	Sean Cunniffe		
2021-22 CS01	Cash collection contract	23	23	0	G	23	0	G	Sean Cunniffe		
2021-22 CS05	Contract savings and IT procurement	200	200	0	G	200	0	G	CPI AD		
2021-22 CS15	Delete a post from Customer Contact	32	32	0	G	32	0	G	Sean Cunniffe		
<b>Resources</b>											
2018-19 CS07	Retender of insurance contract	25	0	25	R	0	25	A	Nemashe Sivayogan	Expected saving to be reviewed following six schools leaving the insurance SLA, new contract has delivered cost savings but there is shortfall against the budgeted saving due to original pressures in the budget	Y
2018-19 CS08	Increase in income from Enforcement Service	15	0	15	R	0	15	R	David Keppler	Not achievable in year due to covid	Y
2021-22 CS11	Review of shared Bailiff service with Sutton	40	0	40	R	0	40	R	David Keppler	Team structure reduced but saving not achievable in year due to covid impacting income levels	Y
2021-22 CS12	Miscellaneous savings within Resources (eg. Consultancy)	69	69	0	G	35	0	G	Resources Senior Management	Includes a one off saving of £34k, saving target reduces to £35k from 2022/23 onwards	
<b>Corporate Governance</b>											
2021-22 CS04	Establish income grant budget for transparency agenda	13	13	0	A	13	0	A	Paul Phelan	Grant income expected but not yet confirmed by central govt.	N
2021-22 CS07	Remove previous inflation built in to reduce Overall Members' Allowances Budget	11	9	2	A	11	0	G	Andrew Robertson	Currently forecasting saving shortfall of 2K	Y
2021-22 CS08	reduced running costs due to canvass reform	10	10	0	G	10	0	G	Andrew Robertson	Currently on track even with decision to send household notification letters in early 2022.	
2021-22 CS09	legal services - reduce affiliation, counsel and land registry fees	40	40	0	G	40	0	G	Paul Phelan		
2021-22 CS10	reduce AD budget running costs	6	6	0	G	6	0	G	Louise Round		
2021-22 CS14	Local Land Charges - amend income budget for service to reflect net cost recovery	90	90	0	G	90	0	G	Paul Phelan		
<b>Human Resources</b>											
2019-20 CS26	Review of contract arrangements	120	0	120	R	120	0	G	Liz Hammond	The iTrent contract renewal did not proceed to an early exit as previously expected and the savings will now not start until 22/23.	Y
<b>Infrastructure &amp; Technology</b>											
2019-20 CS21	Implement phase 2 of the Flexible Working Programme to generate additional vacant floor space and generate income from commercial lease arrangements.	90	90	0	G	90	0	G	Edwin O'Donnell		
2019-20 CS23	Implement a means assessed charging scheme for appointeeships undertaken by the CFA team.	30	0	30	R	30	0	A	Tina Dullaway	Charging scheme yet to be agreed and implemented	Y
2021-22 CS06	Facilities Management - Reduction in various running costs.	75	75	0	G	75	0	G	Various I&T managers		
<b>Corporate</b>											
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	16	16	0	G	16	0	G	David Keppler		
2021-22 CS02	Corporately funded items (eg. Supplies and services)	75	75	0	G	75	0	G	Senior Management		
2021-22 CS03	Realignment of Pension Added years budget	63	63	0	G	63	0	G	Senior Management		
2021-22 CS13	CHAS Dividend	260	260	0	G	260	0	G	Senior Management		
<b>Total CS Savings for 2021/22</b>		<b>1322</b>	<b>1090</b>	<b>232</b>		<b>1208</b>	<b>80</b>	<b>0</b>			

Updated Dec'21											APPENDIX 6
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2021/22											
Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Expected £000	Shortfall	RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
<b>Adult Social Care</b>											
CH93	LD Offer- Proposal to review the LD offer to adults with learning disabilities	500	500	0	G	500	0	G	Gill Moore	The programme is underway and additional resources are being put in place to ensure delivery	
CH94	Integration- Merton Health & Care Together Partnership Programme	500	0	500	R	0	500	R	Phil Howell	Changes in the health landscape make savings through integrated working more difficult to deliver at this time. This will be kept under review as the new ICS arrangements emerge	
CH95	Public Health	500	100	400	R	0	500	R	Dagmar Zeuner	the impact of COVID and provider issues make this undeliverable at this time.	
CH96	Home care monitoring	110	110	0	G	110	0	G	Keith Burns	Project to broaden number of providers using ECM solution is in progress.	
CH97	Transport	200	200	0	A	200	0	G	Phil Howell	The transport review has been delayed by COVID but this is offset in year by reduced concessionary fares costs (one off)	
CH98	Promoting Independence	500	500	0	G	500	0	G	Phil Howell		
CH102	Dementia Hub Recommissioning	55	55	0	G	55	0	G	Richard Ellis	The savings has been delivered for 2021/22 by achievement of additional contribution from health	
CH103	HRS Decommissioning Floating Support	176	52	124	A	176	0	G	Steve Langley	The work was delayed by COVID but is now on track to be delivered by end Dec 2021 with fye 2022/23	
<b>Subtotal Adult Social Care</b>		<b>2,541</b>	<b>1,517</b>	<b>1,024</b>		<b>0</b>	<b>1,541</b>	<b>1,000</b>			
<b>Total C &amp; H Savings for 2021/22</b>		<b>2,541</b>	<b>1,517</b>	<b>1,024</b>			<b>1,541</b>	<b>1,000</b>			

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 21-22

Ref	Description of Saving	2021/22 Savings Required £000	2021/22 Savings Expected £000	Shortfall	21/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2019-12	Review of public health commissioned services	400	0	400	R	0	400	R	Sue Myers	This saving is unachievable as it is related to a saving in Public Health related to recommissioning integrated service that didn't occur	
CSF2019-16	National Minimum rate for Fostering/Guardianship/Adoption	20	20	0	G	20	0	G	Sue Myers	Review in progress full update to be provided in Period 10	
CSF2019-17	Increased use of in-house foster care	40	40	0	G	40	0	G	Sue Myers	Review in progress full update to be provided in Period 10	
CSF2019-18	Review and reshape shortbreaks provision	200	0	200	R	200	0	G	Elizabeth Fitzpatrick	Shortbreaks review was delayed by Covid and the saving is therefore also delayed	
CSF2019-19	SEND travel assistance	150	150	0	G	150	0	G	Elizabeth Fitzpatrick	Review in progress full update to be provided in Period 10	
2021-22 CSF01	Education & Early Help -Reduction made in provision for PFI Unitary Charges	450	0	450	R	450	0	G	Elizabeth Fitzpatrick	Finance review of the PFI Unitary charge model needed	
2021-22 CSF03	CSF - Ongoing underspend	200	200	0	A	200	0	G	Sue Myers/Elizabeth Fitzpatrick	Currently CSF forecasting overspend so this saving is at risk to be reviewed in Period 10	
	<b>Total Children, Schools and Families Department Savings for 2021/22</b>	<b>1,460</b>	<b>410</b>	<b>1,050</b>	<b>0</b>	<b>1,060</b>	<b>400</b>	<b>0</b>			

**APPENDIX 7**

<b>Department</b>	<b>Target Savings 2020/21</b>	<b>Shortfall 2020/21</b>	<b>Projected Shortfall 2021/22 (December)</b>	<b>Projected Shortfall 2022/23 (December)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate Services	2,718	883	213	678
Children Schools and Families	2,969	664	500	0
Community and Housing	2,460	128	128	128
Environment and Regeneration	3,927	3,373	2,837	0
<b>Total</b>	<b>12,074</b>	<b>5,048</b>	<b>3,678</b>	<b>806</b>

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R / A Included in Forecast Over/Under spend? Y/N
ENV1920-06	Future Merton: Highways advertising income through re-procurement of the advertising contract for the public highway.	40	0	40	R	0	40	R	40	0	G	James McGinlay	Covid-19 estimated to impact on saving. Should be achieved from 2022/23.	Y
ENV1819-03	Parking: The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incidental effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	0	1,900	R	0	1900	R	1900	0	A	Cathryn James	PARKING PERMITS: The new charges were implemented on 14th January 2020. Early analysis shows a reduction in sales of Permits, including scratch cards, and a greater number of 6 month permits being sold than 12 month permits against historic trends, which is even more evident in the case of diesel cars permits. Unfortunately Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a significant change in Permit sales, which has made projections very difficult. Permit sales for 20/21 were estimated to be down by approx. 10% overall for the calendar year 2020. Due to the reasons above this saving will not be fully met in 2020/21. Lockdown continued in quarter 1 of 2021/22 and activity will continue to be monitored and reviewed.  ON STREET PARKING CHARGES - PAY & DISPLAY: Following the introduction of On Street charges, data showed expected income was being achieved, but off street showed a slight under recovery on estimated. Unfortunately, Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a reduction in parking activity, which makes analysis against budget projection very difficult. For the period June through to October 20/21 data showed off street activity at 50% of pre covid and on street at 80%. Lockdown 2 (Nov 2020) resulted in a reduction in 'on and off street' parking activity. Lockdown 3 had a further significant detrimental effect in 'on and off street parking' activity. Covid / lockdown and associated change in social behaviour during the last quarter 2020/21 continued to have a direct effect on service activity and resulted in the saving not being met. This saving will continue to be reviewed and monitored on a monthly basis but lockdown during the first quarter in 2021/22 continues to affect income levels. As at October 2021 savings continue to be monitored but lockdown and change in driver behaviour continues to result in this saving not being achieved.	Y
ENV1819-04	Parking: Reduction in the number of pay & display machines required.	13	0	13	R	13	0	G	13	0	G	Cathryn James	Expected to be achieved in 2021/22.	
ENV1920-01	Parking: Application to change Merton's PCN charge band from band B to band A. To effect this a full business case will need to be presented to Full Council. Following this, an application will be made to the London Councils Transport, and Environment Committee. Depending on the outcome at the Committee, the Mayor will also be required to ratify the application and the Secretary of State has final sign off. This 'saving' reflects the impact on estimated revenue until motorist compliance takes full effect. The objective is to reduce non-compliance but if the band change is implemented it is likely that there will be a short term increase in revenue.  The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	340	0	340	R	340	0	A	340	0	G	Cathryn James	Following the consultation process and approval by Merton, the proposal was put before London Council, GLA, Mayor for London and Secretary of State to approve.  Process was delayed due to London Mayoral Election, officers are working with GLA to progress the application. GLA now approved application and Sec of State has 3 weeks to comment. Earliest implementation will be in January 2022.	N
ENV1920-02	Parking: Compliance rates for ANPR Moving Traffic Offences have not decreased significantly or as estimated since the implementation of the ANPR cameras and as a consequence the PCN revenue remains above original estimations. This 'saving' recognises revenue currently being received by the Council rather than any estimated increase.  The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	300	0	300	R	0	300	R	300	0	A	Cathryn James	Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers started increasing through June to September, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, and the longer term impact continues to be analysed. The November 2020 lockdown had limited effect on driver habits. It is however expected that this saving will not be met. Tier 4 and Lockdown 3 will result in less 'on street' activity. It is therefore estimated that there will be a greater shortfall in achieving this saving this year. Current traffic movements remain affected with less ANPR activity. It is projected that this saving will not be met in 2021/22.	Y
ALT1920-02	Parking: The use of ANPR to enforce moving traffic contraventions has been operational since July 2016. The number of cameras has increased and the locations varied over this period and the number of PCNs remains above initial estimates.	337	0	337	R	0	337	R	337	0	A	Cathryn James	Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers started increasing through June to September, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, and the longer term impact continues to be analysed. The November 2020 lockdown had limited effect on driver habits. It is however expected that this saving will not be met. Tier 4 and Lockdown 3 will result in less 'on street' activity. It is therefore estimated that there will be a greater shortfall in achieving this saving this year. Lockdown continues in Q1 2021/22 and on street activity remains lower than normal. Saving for 2020/21 is unlikely to be met on current trends. Current traffic movements remain affected with less ANPR activity. It is projected that this saving will not be met in 2021/22.	Y
ENV1920-04	Waste: The service change in October 2018 has had a significant impact on waste arisings and recycling levels. Residual waste volume has reduced by c12% whilst recycling levels have increased from c34% to c45%. Whilst we have already built £250k into the MTFs we believe that this can be added to.	250	0	250	R	0	250	R	250	0	A	John Bosley	The service maintained a high recycling rate in 2019/20, recycled 42% of all domestic waste and delivered significant (above target) savings in the disposal cost. This budget is now under pressure due to the sudden growth in domestic waste following the National impact of COVID 19 and residents now self isolating and working from home. With the national increase in the level of recycling being generated, processing facilities are becoming stricter with regards to the quality of the material being accepted, resulting in areas of non compliance being rejected. CONFIDENTIAL The current national shortage of drivers impacting the collection schedule, the service has been required to combine rounds and co collect waste streams. This is being monitored through our BCP and the financial impact amended through our budget forecasting.	Y

ALT1920-03	Leisure: Increased income from Leisure Centres Management Contract	10	0	10	R	0	10	R	10	0	G	John Bosley	This amount is already included in the income target for this year and going forward, but with Covid 19 changing the uses of leisure centres this will not be achieved this year	Y
ALT1920-04	Waste Services: Increase level of Environmental Enforcement activities of both internal team & service provider - ensuring the operational service is cost neutral	150	31	119	R	150	0	G	150	0	G	John Bosley	The commissioning and procurement of a new enforcement contract along with the wider Public Space restructure is scheduled for late 21/22 and we hope to implement this in the new year subject to any continuity plans which may take presedent over these two work streams.	
ALT1920-07	Greenspaces: Realign budgets to better reflect current levels of income from outdoor events.	64	0	64	R	64	0	G	64	0	G	John Bosley		
<b>Total Environment and Regeneration Savings 2020/21</b>		<b>3,404</b>	<b>31</b>	<b>3,373</b>		<b>567</b>	<b>2,837</b>		<b>3,404</b>	<b>0</b>				



Dec'21													APPENDIX 7	
DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2020/21														
Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Unders pend? Y/N
	<b>Adult Social Care</b>													
CH76	OPMH Staffing	100	0	100	R	0	100	R	0	100	R	John Morgan	We need to review the demand for MH services with the trust due to C19. Further work is required to establish the necessary resourcing	
CH87	Mascot Income	100	72	28	R	72	28	R	72	28	R	Andy Ottaway-Searle	MASCOT income has fallen due to cancelled services	
	<b>Subtotal Adult Social Care</b>	<b>200</b>	<b>72</b>	<b>128</b>	<b>0</b>	<b>72</b>	<b>128</b>		<b>72</b>	<b>128</b>				
	<b>Total C &amp; H Savings for 2020/21</b>	<b>200</b>	<b>72</b>	<b>128</b>		<b>72</b>	<b>128</b>		<b>72</b>	<b>128</b>				

## DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R / A Included in Outturn Over/Under spend? Y/N
<b>Customers, Policy &amp; Improvement</b>														
2019-20 CS02	Charge for Blue Badges	15	0	15	R	15	0	A	15	0	A	Sean Cunniffe	Looking to have an outsourced solution that can incorporate charges for BB's	Y
2018-19 CS07	Retender of insurance contract	50	0	50	R	7	43	A	7	43	A	Nemashe Sivayogan	Expected saving to be reviewed following six schools leaving the insurance SLA, new contract has delivered cost savings but there is shortfall against the budgeted saving due to original pressures in the budget	Y
2018-19 CS08	Increase in income from Enforcement Service	20	0	20	R			N/A	0	20	R	David Keppler	Not achievable in light of covid-19 circumstances. Saving removed from 2021/22 and deferred to 2022/23 per December 2020 Cabinet report	Y
<b>Corporate Governance</b>														
2018-19 CS12	SLLp - reduction in legal demand	50	0	50	R	0	50	A	0	50	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y
2019-20 CS14	impose criminal litigation cap at 20k	20	0	20	R	0	20	A	0	20	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y
2019-20 CS15	reduce civil litigation legal support by 50%	45	0	45	R	0	45	A	0	45	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y
<b>Infrastructure &amp; Technology</b>														
2019-20 CS22	Reduction in the frequency of the cleaning within the corporate buildings	25	0	25	R	0	25	A	25	0	G	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
2020-21 CS9	Reduction in the frequency of the cleaning within the Councils corporate buildings.	30	0	30	R	0	30	A	30	0	G	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
<b>Corporate</b>														
2019-20 CS13	Improved collection of HB overpayments and reduce Bad Debt Provision	500	0	500	R			N/A	0	500	R	David Keppler	Saving removed from 2021/22 and deferred to 2022/23 per December 2020 Cabinet report	Y
<b>Total CS Savings for 2020/21</b>		<b>755</b>	<b>0</b>	<b>755</b>		<b>22</b>	<b>213</b>	<b>0</b>	<b>77</b>	<b>678</b>				

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 20-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	20/21 RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2019-10	Reduced contribution towards the MSCB	44	10	34	R	44	0	G				Elizabeth Fitzpatrick	Won't be able to deliver more than approx £10k if reorganisation is undertaken in 3rd quarter of 2021/22..	
CSF2019-21	Review and reshaping of Short Break provision across CWD	200	60	140	R	0	200	R				Elizabeth Fitzpatrick	This is progressing, but slowly (discussion with parent reps 20/5). Need to engage with parents and providers of short breaks. Hard to do during Covid. Won't secure full year effect. Currently paying for commissioned services not being delivered in line with government advice. There may, in due course, be additional expenses as a result. Increased provision for shielded children. Maximum of £60k deliverable, and only if it's possible to initiate the consultation in 3rd quarter. (May be able to secure some savings against this line by coding some additional activity against the Covid Budget).	
CSF2019-15	South London Family Drug and Alcohol Court commissioning	45	15	30	R	15	30	R				Sue Myers	South London Family Drug and Alcohol Court contract has been decommissioned. Plan is to deliver savings from practice changes supported by the wider CSC & YI reorganisation. The reorganisation has been delayed due to coronavirus alternative operating measures. Will deliver no more than £15k. Some mitigating activity through temporary recruitment to posts likely to be impacted in the reorganisation.	
CSF2019-02	Establish more cost effective Merton independent living provision	400	200	200	R	200	200	R				Sue Myers	This savings work has been significantly impacted by Covid-19 and the need to re-direct aspects of the transformation resource (Graduate Management Trainee) to Ofsted preparation. Proposed CSC reorganisation creates recourse for this savings work to be delivered in 2021/22.	
CSF2019-04	Deliver the 14+ leaving care service through personal advisors rather than social workers	60	20	40	R	60	0	G				Sue Myers	Part of wider CSC reorganisation which was delayed due to coronavirus alternative operating measures. Will deliver no more than £20k.	
CSF2019-13	Review of current Adolescent and Family service	100	30	70	R	30	70	R				Sue Myers	Part of wider CSC reorganisation which is delayed due to coronavirus alternative operating measures. Will deliver no more than £30k, some mitigating activity - vacancies being held and only recruited to on a fixed term basis.	
CSF2019-15	Development of Family Network Co-Ordinators Service	45	15	30	R	45	0	G				Sue Myers	DfE funding withdrawn. Part of wider CSC reorganisation which is delayed due to coronavirus alternative operating measures.	

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 20-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	20/21 RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	2022/23 Savings Expected £000	2022/23 Expected Shortfall £000	22/23 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2019-17	Culture change and clarification of financial support entitlement for care leavers	50	0	50	R	50	0	G				Sue Myers	Financial payments to care leavers have increased due to the impact of Covid-19 restrictions and requirement to match DWP Covid-19 increase in benefit rates - some of this has been set against the Covid-19 cost centre. Timing not appropriate to shift funding culture where continued Covid-19 situation impacts on external resources and progression of other agencies decision-making i.e. Home Office asylum decisions.	
CSF2019-18	Implementation of the DfE National Minimum rate	20	0	20	R	20	0	G				Sue Myers	Covid-19 restrictions have impacted on foster carer recruitment and approval. Older age demographics of in-house carers increases risk of reduced capacity due to increased likelihood of Covid-19 health complications. This savings work would likely have resulted in short term impact on in-house fostering capacity - this risk is too high in current context. Plan to revisit this savings work when Covid-19 situation stabilises.	
	Total Children, Schools and Families Department Savings for 2020/21	964	350	614		464	500		0	0	0			

## **Committee: Cabinet**

**Date: 07/02/2022**

Wards: All Wards

## **Subject: Climate Delivery Plan – Year 2**

Lead officer: Director of Environment and Regeneration, Chris Lee

Lead member: Cabinet member for Housing, Regeneration and the Climate Emergency, Martin Whelton

Contact officer: Dominique Hill, [dominique.hill@merton.gov.uk](mailto:dominique.hill@merton.gov.uk), 0208 545 4665

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### **Recommendations:**

- A. That Cabinet adopts the Climate Delivery Plan – Year 2
  - B. That delegated authority is given to the Director of Environment and Regeneration, Chris Lee in consultation with Cllr Martin Whelton, the Cabinet member for Housing, Regeneration and the Climate Emergency to make minor amendments.
  - C. That Cabinet approves the allocation of £150k from Merton’s Carbon Offset fund to top-up national funding in the delivery of the Green Homes Grant Local Authority Delivery Scheme to retrofit fuel poor homes in Merton.
- 

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

- 1.1. This Delivery Plan sets out how Merton Council will work towards a reduction in greenhouse gas emissions and adapt to the effects of climate change, within the borough and within the Council’s buildings and services, in 2022. The Delivery Plan also provides a review of progress against Merton’s Climate Delivery Plan - Year 1 priority actions in 2021.

## **2 DETAILS**

- 2.1. Merton’s Climate Strategy and Action Plan [1] was adopted by Council in November 2020. Cabinet was appointed to oversee its implementation.
- 2.2. One of the commitments in Merton’s Climate Strategy and Action Plan was the formation of a Delivery Plan which is updated annually and is able to monitor progress.
- 2.3. Merton’s Climate Delivery Plan - Year 1 [2] was adopted by Cabinet in January 2021 and set out the Council’s priority actions for the first year of delivery of Merton’s Climate Strategy & Action Plan (2021).
- 2.4. To support delivery and expand climate considerations to every part of the Council, 8 workstreams were set up within the Council. The Year 1 Delivery Plan set the baseline against which future years could be compared.
- 2.5. The Year 2 Delivery Plan reviews progress in 2021 and sets priority actions for 2022. The structure of the report is similar to the Year 1 Delivery Plan with the additional retrospective element.

- 2.5.1 *Section 1* of the Delivery Plan sets the scope of the plan, which covers major activities that the Council intends to do to support emissions reductions within the borough, and within the Council's buildings and services.
  - 2.5.2 *Section 2* considers the Council's progress in meeting its part in Merton's Climate Strategy and Action Plan in relation to the pace and scale of change needed. It uses a set of indicators to track performance against the baseline, highlights progress against the priority actions identified in the Year 1 Delivery Plan, and sets out priorities for Year 2. This provides an overview of projects delivered by the Council in 2021, and projects planned in 2022, which help tackle climate change. These cover all areas, and actions are benchmarked against progress needed to be in keeping with our net-zero targets.
  - 2.5.3 *Section 3* takes wider factors into account, to assess the likelihood of meeting the net-zero targets.
- 2.6. Key areas of progress in 2021 include:
- 2.6.1 Developing and delivering Merton's climate communications campaign and launching Merton's Climate Action Group to increase engagement on climate change in Merton and promote community-led climate action;
  - 2.6.2 Working with Merton's Property and Asset Management Board to agree criteria for prioritising the decarbonisation of the Council estate;
  - 2.6.3 Reviewing Merton's Draft Local Plan Climate Change policies to align with Merton's carbon reduction targets and reduce the need for further expensive retrofit;
  - 2.6.4 Implementing Merton's Covid-19 Transport Strategy to help support active travel in the borough;
  - 2.6.5 Continuing the decarbonisation of Merton's pension investments;
  - 2.6.6 Working with other local authorities and pan-London groups to identify opportunities for a green recovery from Covid through the London Councils' seven programmes on climate change [3] and the London Recovery Board's Green New Deal mission [4];
  - 2.6.7 Developing Merton's Social Value Charter as a mechanism for considering the impact of climate change in Council procurements;
  - 2.6.8 Continuing the delivery of Merton's Air Quality Action Plan measures which have direct links to tackling climate change;
  - 2.6.9 Securing circa £12 million in the draft capital programme for the decarbonisation of Merton's refuse collection fleet from 2025, and a further £6 million for the decarbonisation of Merton's internal fleet.
  - 2.6.10 Delivering sustainable infrastructure across the borough to prepare for a greener future [5]; etc.

- 2.7. In 2020/21, the Council also allocated an additional £2million in reserves to increase capacity to deliver the Climate Strategy & Action Plan across the Council from April 2022 to help decarbonise the Council's own activities and support climate action across the wider borough. However, many public and private organisations are seeking the same services so increasing Council capacity will be subject to the availability of suitable candidates.
- 2.8. Because delivery of our net-zero targets is so dependent on the action of others, the plan highlights the importance of continued engagement, particularly with underrepresented groups, including residents that consider themselves to be from a Black, Asian, Minority Ethnic background. Officers are currently in the process of recruiting a new Climate Engagement Officer to lead on the delivery of Merton's internal and external climate engagement, and support local partners and stakeholders such as Merton's Climate Action Group, housing associations and businesses.
- 2.9. In monitoring our progress towards our 2030 (council) and 2050 (borough) net zero carbon targets, Merton's council and borough greenhouse gas inventories have been updated with the latest available emissions data [6]. In some cases, emissions data was not previously available for inclusion in the baseline inventories when they were developed in 2019/20 but additional data has now become available and been added to the inventories. This includes emissions from the processing of local authority collected waste which have been baselined by Viridor and the South London Waste Partnership since Merton's baseline inventory was published; these emissions have been added to the borough inventory. Additional data has also become available for machinery use associated with Merton's greenspaces maintenance contract; these emissions have been added to the council inventory.
- 2.10. It may be appropriate to make minor changes to the Delivery Plan, for example where there are changes to delivery risks throughout the year. We seek delegated authority to the Director of Environment and Regeneration, Chris Lee in consultation with Cllr Martin Whelton, the Cabinet member for Regeneration, Housing and the Climate Emergency to make these minor amendments.
- 2.11. To support the delivery of Merton's carbon reduction commitments, officers are looking to allocate £150k of Merton's carbon offset funds to be used as top-up funding for the Green Homes Grant Local Authority Delivery (LAD) scheme to retrofit fuel poor homes in Merton. The carbon offset funds will be used as funding of last resort in instances where the cost of works exceeds the maximum funding allowances available through existing national funding streams, including LAD, ECO and Warmer Homes, and where further carbon savings can be achieved with a top-up from the carbon offset fund. This will enable more of a whole-house retrofit approach, which will help drive the decarbonisation of heat in Merton and minimise the need for further retrofit works in the future and any associated disruption. Carbon offset funds may also be spent in according with the 2017 Cabinet decision [7] which set out the process for spending these.

### **3 ALTERNATIVE OPTIONS**

## Recommendations A& B

- 3.1. Option 1 - No Delivery Plan: This option would undermine a key commitment set out in Merton's Climate Strategy and Action Plan. Without a delivery plan, it would be harder to understand whether activity to reduce carbon emissions undertaken by Merton Council is focused where it will have the greatest impact.
- 3.2. Option 2 - A more ambitious plan: This is not a realistic option because the Delivery Plan presented represents the most ambitious plan that can be achieved within the Council's current resources, focused on the major transitions needed to achieve the net-zero carbon targets. Making a more ambitious plan would require additional staff and funding that is not currently available.

## Recommendation C

- 3.3. Using the carbon offset funds to support the retrofit of fuel poor homes via the Green Homes Grant Local Authority Delivery scheme, provides an opportunity for direct carbon reduction in Merton, by maximising the impact of other funding, as well as other benefits such as helping tackle fuel poverty in the borough. This proposed use of carbon offset funds aligns with Greater London Authority guidance [7]. Other alternatives are not recommended.
- 3.4. Other opportunities for spending Merton's carbon offset funds can be considered via the process set out in the 2017 Cabinet Decision which approved the allocation arrangements for Merton's Carbon Offset Fund [8].

## **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. The Delivery Plan operates under the long term framework of Merton's Climate Strategy and Action Plan, and uses the extensive consultation and evidence review that was undertaken through its development in 2019 and 2020.
- 4.2. Engagement with Merton's Climate Action Group and other local groups over the course of 2021 has highlighted the importance of climate action to the local community. The Your Merton consultation which ran in the summer of 2021 also reinforced the importance of sustainability and climate change to local residents.
- 4.3. The Delivery Plan is limited to fulfilling the Council's part of the Climate Strategy and Action Plan, so has been discussed extensively with Council officers.

## **5 TIMETABLE**

- 5.1. Whilst the net-zero targets may take decades to achieve, the Delivery Plan aims to operate within a single year, enabling delivery to be responsive to the many changes in funding, policy, innovation and markets. It is expected that priority actions set out in the Delivery Plan will be complete by December 2022.



- 5.2. The Delivery Plan will be reviewed and updated on an annual basis. The updated plan will use the indicators and wider evidence to focus efforts which make the most significant impact towards meeting out net-zero targets.

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

- 6.1. *Annex 4* of the Delivery Plan sets out all priority actions that the Council intends to take over the second year of implementation of the Climate Strategy and Action Plan. Officers responsible for the individual actions have confirmed that these can be carried out without additional resources; notwithstanding the delivery risks identified.
- 6.2. *Section 2.3* of the Delivery Plan considers the extent to which the actions committed to by the Council are sufficient with respect to the Council's responsibilities set out in the Climate Strategy and Action Plan. This is straightforward when considering the Council's action to reduce its own carbon emissions, but harder to judge when considering the Council's actions to support emissions reductions that need to be undertaken by others. This section does identify gaps in activity and /or funding that will need to be met in future years, but in most cases, the scale and timing of the funding need has not yet been identified; nor how these funding needs will be met.
- 6.3. *Section 3* also acknowledges funding gaps that the Council is not expected to fill but will be needed by others to meet the 2050 net-zero target. These include the additional capital costs to support low carbon retrofit of Merton's homes and non-residential buildings.
- 6.4. *Section 2.1* of the Delivery Plan estimates that circa £2m of Council spend was allocated to projects that reduced emissions and/ or helped build climate resilience inside and outside the Council in 2020/21 and that circa £2.8 is currently forecast to be spent in 2021/22.
- 6.5. Merton's proposed Capital Strategy 2022-26 which sets the proposed approved capital programme to the financial year 2025/26, includes provision to convert the bulk of the waste fleet in 2025/26. The strategy also considers the indicative capital programme to 2030/31. The indicative programme includes estimated costs of converting the remaining council transport fleet. No provision has yet been made for investment into transport infrastructure, it is envisaged that external funding sources will be identified to provide a substantial contribution to this cost. A more accurate cost of decarbonising Merton's operational buildings needs to be established by surveys which will be undertaken during FY22/23 then officers can start to identify funding sources to contribute towards these costs. New capital schemes and additions to any existing capital schemes in relation to the climate change delivery plan will only be added to the approved capital programme as additional funding is identified.
- 6.6. As part of the December 2021 - Financial Monitoring report elsewhere on the Cabinet agenda £150k is being added to the capital programme for Carbon Offset Funding (as detailed in this report), this scheme will be funded by Section 106 contributions. Officers are in discussion with Commercial

Services regarding an exemption from Merton's Contract Standing Orders for the use of these funds given that these will be used to top-up other funding streams as part of the delivery of the Green Homes Grant Local Authority Delivery scheme. There is currently £306k available in Merton's carbon offset fund. The Council publishes its activity with respect to Section 106 contributions annually in its Infrastructure Funding Statements (IFS), including information, providing for transparency and accountability in terms of how it uses Carbon Offset contributions.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. There is no statutory requirement for Local Authorities to set climate targets, or produce a Climate Strategy or an Action Plan set out in the Climate Change Act 2008. Local Authorities are, however, obliged to be in keeping with the objectives of policies implemented by the Greater London Authority and National Government through obligations set out in grant funding agreements, under regulatory arrangements such as through air quality reviews and monitoring under the Environment Act 1995 and national planning law including the Planning Act 2008 and in development of local plans under the Planning and Compulsory Purchase Act 2004, where the local planning authority must have regard to national policies.
- 7.2. When carrying out the investments and actions which form the Council's Delivery Plan as outlined in this report, it must where appropriate, follow the Council's Contract Standing Orders and the Public Contracts Regulations 2015 in relation to entering into public contracts.

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

- 8.1. *Section 2* highlights that intended actions are consistent with the strategic approach set out in the Climate Strategy and Action Plan. These embody an ambition for action on climate to have wider community benefits and ensure that neither the effects of climate change, nor the costs of reducing emissions disproportionately affect the vulnerable or those less able to pay.
- 8.2. Workstream 8, considers Communication, outreach and LBM corporate procedure. Within this workstream, *Sections 2 and 3* highlight progress in supporting and empowering communities to take action on climate through the development of Merton's Climate Action Group which was launched in January 2021; in keeping with the key aims of Merton's community plan to increase social capital. Section 2 sets out our intention to provide continued support for community-led action, and to extend engagement to groups which have been less represented to date, including residents that consider themselves to be from Black, Asian and Minority Ethnic backgrounds.
- 8.3. The spread of activity within the Delivery Plan makes it difficult to undertake a meaningful equality assessment of the plan as a whole. Individual equality assessments will be undertaken as individual actions form key policies and decisions.

## **9 CRIME AND DISORDER IMPLICATIONS**

9.1. None for the purposes of this report.

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

10.1. Delivery risks relating to annual priority actions have been assessed both at an individual level (*Annex 4 of the Delivery Plan*) and for the workstream as a whole (*in section 2.3*). These consider the likelihood that the action will take place and the impact this might have in the Council meeting its obligations set out in Merton's Climate Strategy and Action Plan.

10.2. *Section 3*, assesses the likelihood that the net-zero targets will be met, taking into account the 2% of emissions that are the direct responsibility of the Council, actions taken by the Council to enable emission reductions for the borough target, and the wider financial, political, behavioural and market forces in play.

10.3. Risk management and health and safety measures for individual actions will be undertaken by the Officer responsible for the action.

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

- Climate Delivery Plan – Year 2

## **12 BACKGROUND PAPERS**

12.1. [1] Merton Climate Change Strategy and Action Plan

<https://www.merton.gov.uk/assets/Documents/Draft%20Climate%20Strategy%20and%20Action%20Plan%20-%20Council%20V2.pdf>

[2] Merton Climate Delivery Plan – Year 1

<https://democracy.merton.gov.uk/documents/s36416/Climate%20Delivery%20Plan%20Y1%20-%20Cabinet.pdf>

[3] London Councils – About Climate Change

<https://www.londoncouncils.gov.uk/our-key-themes/environment/climate-change>

[4] London Recovery Board – A Green New Deal

<https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/green-new-deal>

[5] Merton's Sustainable Infrastructure Story Map (November 2021)

<https://storymaps.arcgis.com/stories/12050fded6c64aa7ad8317cf74526a9c>

[6] London Borough of Merton Greenhouse Gas Inventory Report 2021, available at:

<https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>

[7] Greater London Authority Guidance for London's Local Planning Authorities on establishing carbon offset funds (October 2018)

[https://www.london.gov.uk/sites/default/files/carbon\\_offset\\_funds\\_guidance\\_2018.pdf](https://www.london.gov.uk/sites/default/files/carbon_offset_funds_guidance_2018.pdf)

[8] Cabinet Report (18 September 2017) Neighbourhood Community Infrastructure Levy and Carbon Offset funds

<https://democracy.merton.gov.uk/documents/s19182/2017-09-18%20Cabinet%20Neighbourhood%20CIL-Carbon%20Offset%20FINAL.pdf>

## CLIMATE DELIVERY PLAN – YEAR 2

### 1. INTRODUCTION

#### 1.1 Purpose

This Delivery Plan provides a review of progress during the first year of delivery of Merton’s Climate Strategy & Action Plan, and sets out how Merton Council will continue to work towards a reduction in greenhouse gas emissions and adapt to the effects of climate change, within the borough and within the Council’s buildings and services, in 2022.

#### 1.2 About this document

Merton’s Climate Strategy and Action Plan<sup>1</sup> adopted in November 2020, set a strategic approach and the long term actions needed to meet the borough’s net-zero carbon targets<sup>2</sup> and adapt to the effects of climate change. It recognised the need for a delivery plan that was agile to changing circumstances within the Council, in national policy and funding opportunities, and wider innovation and market factors. It also recognised the need to monitor and report progress on a regular basis. The Climate Delivery Plan is intended to fulfil this role.

Merton’s Climate Delivery Plan - Year 1<sup>3</sup> (hereafter referred to as the ‘Year 1 Delivery Plan’) was adopted by Cabinet in January 2021 and set out the Council’s priority actions for the first year of delivery of Merton’s Climate Strategy & Action Plan (i.e. 2021). This included actions to reduce the 2% of emissions that the Council is directly responsible for, and enabling actions to support others to tackle climate change.

“Green Economy”, “Buildings and Energy”, “Transport”, “Greening Merton” and the “Council 2030 target” are the five sections in the Climate Strategy and Action Plan in which long term actions have been set for residents, businesses, landlords, organisations and the Council. To support delivery and expand climate considerations to every part of the Council, 8 workstreams were established in the Council’s Year 1 Delivery Plan. **Annex 1** sets out how these workstreams were formed and their governance structure. The Year 1 Delivery Plan set the baseline against which future years could be compared.

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<sup>1</sup> Merton’s Climate Strategy and Action Plan, LBM, November 2020; available at <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>

<sup>2</sup> Borough target, net-zero by 2050. Council target, net-zero by 2030

<sup>3</sup> Merton’s Climate Delivery Plan – Year 1, LBM, January 2021; available at <https://democracy.merton.gov.uk/documents/s36416/Climate%20Delivery%20Plan%20Y1%20-%20Cabinet.pdf>

There are two main components of the Delivery Plan that will be updated on an annual basis:

The first (**section 2**) monitors the Council's progress in delivering its part of Merton's Climate Strategy & Action Plan, and sets out how the Council intends to progress action in the coming year (January to December 2022). It uses a set of indicators to track progress against the baseline, provides an overview of progress against the priorities identified in the previous delivery plan, and identifies priorities for the coming year; highlighting delivery risks.

The second (**section 3**) assesses wider factors which give an indication of the likelihood of meeting Merton's net-zero carbon targets.

**Annex 2** provides an explanation of the indicators and emissions referred to in sections 2 and 3. Key considerations that were made when forming delivery actions are provided in **Annex 3**. **Annex 4** provides a detailed review of progress against all actions identified in the Year 1 Delivery Plan and identifies all priority actions for 2022. Delivery actions within each workstream have been identified in discussion with officers and benchmarked against the pace and scale of action required by the Council to effectively support delivery.

## 2 THE COUNCIL'S PERFORMANCE IN DELIVERING ITS PART OF MERTON'S CLIMATE STRATEGY & ACTION PLAN AND PRIORITIES FOR 2022

In Merton's Climate Strategy and Action Plan, "*A Strategy to Combat Climate Change*" sets out the Council's overall approach to delivering its role; summarised in the points below.

- Leading by example through delivery of the 2030 Council target, and considering climate impacts at an early stage in all that the Council does.
- Using our unique position as a Local Authority to empower and influence others to act.
- Focusing our limited resources in areas most likely to deliver a tangible reduction in emissions; maximising funding opportunities where possible.
- Supporting projects which have wider environmental and social outcomes as well as carbon reduction benefits; recognising the need to balance competing objectives.
- Continuing to measure and monitor borough and Council emissions, and the impact of individual actions where possible.

This section monitors the Council's performance in relation to the overall approach to tackling climate change set out above. **Section 2.1** monitors the Council's overall performance using key performance indicators relating to engagement with the public and Council staff, as well as Council spend on projects which deliver Climate Strategy objectives. **Section 2.2** monitors progress against key performance indicators relating to each of the Council's 8 workstreams. **Section 2.3** tracks progress against the Council's priority actions for Y1 (2021) and identifies priority actions for Y2 (2022)<sup>4</sup>.

The Annexes provide supplementary information regarding the workstreams (**Annex 1**), indicators (**Annex 2**) and actions (**Annex 3 and 4**) identified in this section.

### 2.1 Overall performance Y1

Merton's Climate Strategy and Action Plan can only be successful if progress is transparent and publically accountable, if climate considerations are fully embedded into all Council activities, and if there is a degree of public confidence, engagement and empowerment amongst Merton Citizens. This section

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<sup>4</sup> This includes actions that the Council intends to take to reduce emissions from its own buildings and services, and enabling actions to support others to tackle the impacts of climate change.

sets out the key indicators intended to monitor these overarching success factors. Some indicators are still in development and others have been developed since the last iteration of the Climate Delivery Plan.

**Table 2-1 Overall performance with regard to Citizen and LBM staff engagement**

<b>Scoring the Delivery Plan's overall performance with regard to Citizen and LBM staff engagement<sup>5</sup></b>	<b>2021</b>
Public perception that taking action to reduce the impacts of climate change is important	High
Public perception of Council leadership and commitment to the Climate Change agenda	Med
Public feeling on engagement and empowerment to act on climate change issues	TBC
LBM staff perception that taking action to reduce the impacts of climate change is important	High
LBM staff perception of being engaged, empowered and equipped to deliver Merton's climate commitments	Low-Med

Public perception that taking action to reduce the impacts of climate change is important (High): The Council's residents' survey 2021<sup>6</sup> found that 89% of respondents agreed that acting to reduce the impacts of climate change is very/fairly important.

Public perception of Council leadership and commitment to the Climate Change agenda (Med): The Council's residents' survey 2021 found that only 41% of respondents agreed that Merton Council is taking action to reduce the impacts of climate change. The high percentage of neutral and don't know responses indicates a possible lack of awareness among residents on the action Merton is taking.

We note that the declaration of a climate emergency by the Council and Merton's Climate Strategy and Action Plan received unanimous support by all political groups. Climate Change Officers have observed support from highly engaged groups and individuals through the development of the Climate Strategy and Action Plan, and the implementation of Merton's Year 1 Delivery Plan. This includes engagement through Merton's Climate Emergency Working Group<sup>7</sup> and Merton's Climate Action Group<sup>8</sup>. These organisations and individuals are now looking for evidence that the Council will put in place strong action to combat climate change and have consistently high standards in all areas of the Council.

<sup>5</sup> Scoring based on survey responses: Low = 0-20%, Low-Med = 20-40%, Med = 40-60%, Med-High = 60-80%, High = 80-100%.

<sup>6</sup> Merton's Residents' Survey 2021 (1,005 respondents). Results available at: <https://www.merton.gov.uk/system/files?file=202120residents20survey20report.pdf>

<sup>7</sup> Further information available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency-working-group>

<sup>8</sup> Further information available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-action-group>



Public feeling on engagement and empowerment to act on climate change issues (TBC): This indicator will be monitored through the Council's next residents' survey. So far, it has not been possible to gauge the level of action that individuals, businesses and organisations that have not yet engaged with the Council are taking to tackle climate change. This applies to the majority of residents and almost all businesses.

Those that have engaged with the Council through the Climate Change consultation survey in 2019/ 2020<sup>9</sup> (around 550 residents and 50 businesses and organisations), through Merton's Climate Emergency Working Group, and on individual matters generally convey a sense that many actions they would like to see happen are not possible without Council or wider Government support.

In January 2021, the Council launched Merton's Climate Action Group to foster community-led climate action and promote community engagement in Merton's Climate Strategy & Action Plan. Section 2.2 provides more information on levels of engagement through Merton's Climate Action Group in the context of measuring progress against workstream indicators. A few organisations and individuals are highly engaged and have already taken concerted action to combat climate change, but we consider that there is significant scope to increase the numbers of residents, organisations and businesses that can be positively engaged on the climate change agenda.

LBM staff perception that taking action to address climate change is important (High): In November 2021, the Council ran a staff climate survey to better understand staff perceptions of climate change and the key barriers and opportunities for taking climate action. 186 people responded to the survey and 93% of respondents were concerned about climate change and 94% felt a responsibility to help tackle climate change. However, it is worth noting a potential bias in the response with staff who are more concerned about climate change being more likely to complete the climate change survey.

LBM staff perception of being engaged, empowered and equipped to help the Council deliver its part in Merton's Climate Strategy & Action Plan (Low-Med): Of the 186 people who responded to Merton's staff climate survey (2021), 68% were aware of Merton's Climate Emergency declaration and carbon reduction commitments, but only 37% felt engaged in Merton's climate commitments. 40% felt empowered to help drive carbon reduction in Merton through their work but only 25% felt equipped to do so. 33% felt empowered to help build climate resilience through their work but only 27% felt equipped to do so. The high proportion of don't know responses indicate that more internal engagement is needed.

The development of Merton's Climate Strategy and Action Plan, and Climate Delivery Plans for Year 1 and Year 2, have involved a high level of engagement in all Departments. The climate change team observed that generally staff were enthusiastic about incorporating climate change into their agendas, but to date this engagement has been limited to a relatively small number of key officers.

Merton's staff climate survey identified lack of capacity, time, funding, awareness, training, expertise, senior buy-in and supporting infrastructure as some of the key barriers to staff delivering climate action in their work. There was a high level of interest in climate training for LBM staff, with training needs

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<sup>9</sup> Merton Council Climate Survey Consultation Report (2020) Available here:  
<https://www.merton.gov.uk/assets/Documents/Climate%20survey%20consultation%20report.pdf>

ranging from general climate awareness and carbon literacy, including steps staff can take to reduce their carbon footprint working from home, to understanding job-specific opportunities to tackle climate change. The survey has highlighted the need for increased internal engagement with LBM staff across all departments and teams.

In 2021, the Council allocated funding to recruit a new Climate Engagement Officer to increase internal and external climate communications and engagement from early 2022, and to roll out carbon literacy training for LBM staff. Further work will be carried out in 2022 to consider mechanisms to engage with various Council teams and councillors to identify opportunities for carbon reduction and specific training needs.

**Table 2-2 Council spend on projects which deliver Climate Strategy objectives**

Sector	Green economy	Buildings and energy	Transport	Greening Merton	2030 target	Other/ cross cutting	Total
Spend in 2019/2020	£7,300	£4,500	£1,215,900	£47,700	£786,400	£54,100	<b>£2,115,900</b>
Spend in 2020/2021	£80,730	£179,653	£1,121,157	£102,201	£425,564	£67,869	<b>£1,977,174</b>

Spend on projects which deliver Climate Strategy objectives: Information on Council spend includes capital, revenue and externally-sourced funding. In 2020/21, around £2 million was spent on projects with climate adaptation and mitigation benefits. This was a slight decrease compared to spend in 2019/20 (£2.1 million), but this was likely due to disruption to activities in 2020 as a result of Covid. A summary of climate change spend is set out in the table above. Spend in 2020/21 saw an increase against the 2019/20 baseline in all sectors apart from the 2030 target (which was lower in 2020/21). This was likely due to Council resources being reallocated to the Council’s Covid response.

However, spend in 2021/22 is currently forecast at around £2.8 million, which is an increase against the 2019/20 baseline. In 2021, the Council also allocated an additional £2million in climate reserves to increase capacity across the Council from April 2022 to April 2025 to help decarbonise the Council’s own activities, to secure additional climate funding from national and regional schemes, and to support climate action across the wider borough. However, many public and private organisations are seeking the same services so increasing Council capacity will be subject to the availability of suitable candidates.

## 2.2 Progress against workstream performance indicators

The Climate Strategy and Action Plan identifies three major transformations that need to take place in order to achieve our net-zero carbon targets; in the economy, in buildings and energy, and in transport. In addition, it recognises the importance of greening Merton and progressing the decarbonisation of the Council's own buildings and services.

The "Measuring Success" section of the Climate Strategy and Action Plan sets out a series of metrics which indicate the speed at which transformation is expected. These have been mapped, along with other relevant indicators, onto the eight workstreams set up to deliver the Council's part of Merton's Climate Strategy and Action Plan<sup>10</sup>. Some indicators are still in development, but will be put in place as soon as appropriate information can be sourced.

The indicators are not a direct reflection of the Council's performance, because the emission reduction activity in most cases must be done by others. It does help us to understand where the Council should focus its efforts to support decarbonisation activity in future years.

**Table 2-3 Tracking progress against workstream indicators**

Workstream	Workstream Indicator	Unit <sup>11</sup>	2018	2019	2020	2021	Source
WS1: Sustainable consumption and low carbon economy	Number of businesses involved in Merton's business network for climate action	Number	N/A	N/A	20	26	Data provided by Sustainable Merton.
	Local Authority Collected Waste	t/yr	67,987	66,005	70,124	N/A	South London Waste Partnership waste tonnage data provided to inform Merton's greenhouse gas inventory.
WS2: Retrofit of homes, businesses and non-residential building stock	Homes with "good" insulation (EPC A-C)	Homes	N/A	N/A	18,879	N/A	Parity Projects CROHM database (Accessed May 2020 <a href="https://parityprojects.com/platform/">https://parityprojects.com/platform/</a> ). Merton does not currently have access to this portal but will update this indicator when we do.
	Number of Domestic Renewable Heat Incentive (RHI) accredited installations <sup>12</sup>	Installations	11	14	18	29	UK Gov Renewable Heat Incentive (RHI) Statistics available at: <a href="https://www.gov.uk/government/collections/renewable-heat-incentive-statistics">https://www.gov.uk/government/collections/renewable-heat-incentive-statistics</a> . Numbers of installations by November of the relevant year.

<sup>10</sup> The indicator values, assumptions and data sources have been reviewed and updated since the Year 1 Delivery Plan to use more robust and accessible data sources; this has resulted in changes to some of the indicator values. Additional indicators have also been added to better track progress against the 8 workstreams.

<sup>11</sup> These are all cumulative/ total figures apart from where it is specified that the unit is per year.

<sup>12</sup> The Non-Domestic RHI scheme closed to new applications on 31 March 2021. A new indicator will need to be used in future years.

Workstream	Workstream Indicator	Unit <sup>11</sup>	2018	2019	2020	2021	Source
	Number of Non-Domestic RHI accredited installations <sup>13</sup>	Installations	N/A	N/A	N/A	6	As above.
WS3: Future new build and regeneration	Number of buildings which are capable of operating at net-zero carbon by 2050 without significant retrofit.	TBC					
WS4: Transport infrastructure and modal shift	Car vehicle traffic in Merton	Million vehicle km	543	565	443	N/A	DfT Road Traffic Estimates – TRA8905a available at: <a href="https://www.gov.uk/government/statistics/road-traffic-estimates-in-great-britain-2020">https://www.gov.uk/government/statistics/road-traffic-estimates-in-great-britain-2020</a>
	Merton ownership of vehicles	Vehicles	76,159	73,974	74,238	N/A	DfT Licenced Vehicles - Numbers, Borough available at: <a href="https://data.london.gov.uk/dataset/licensed-vehicles-numbers-borough">https://data.london.gov.uk/dataset/licensed-vehicles-numbers-borough</a> .
	Merton ownership of Ultra Low Emission Vehicles <sup>14</sup>	Vehicles	1078	717	1133	1838	DfT stats VEH0132 available at <a href="https://www.gov.uk/government/statistical-data-sets/all-vehicles-veh01#ultra-low-emissions-vehicles-ulevs">https://www.gov.uk/government/statistical-data-sets/all-vehicles-veh01#ultra-low-emissions-vehicles-ulevs</a> . All values are from Q2 of the relevant year as latest available for 2021.
	Merton ownership of Battery Electric Vehicles <sup>15</sup>	Vehicles	220	292	531	967	DfT stats VEH0132 available at <a href="https://www.gov.uk/government/statistical-data-sets/all-vehicles-veh01#ultra-low-emissions-vehicles-ulevs">https://www.gov.uk/government/statistical-data-sets/all-vehicles-veh01#ultra-low-emissions-vehicles-ulevs</a> . All values are from Q2 of the relevant year as latest available for 2021.
	Proportion of active travel journeys	%	56 (2015/16-2017/18)	57 (2016/17-2018-19)	61 (2017/18-2019/20)	N/A	Observed data - source: London Travel Demand Survey 2012/13 – 2019/20 and LTS home based travel. <a href="https://tfl.gov.uk/corporate/about-tfl/how-we-work/planning-for-the-future/consultations-and-surveys/london-travel-demand-survey-.0..">https://tfl.gov.uk/corporate/about-tfl/how-we-work/planning-for-the-future/consultations-and-surveys/london-travel-demand-survey-.0..</a> (Data is based on a three year rolling average and the target year represents final year of the period- e.g. 2020 is the period 2017/18-2019/20.)
	EV Charge points	Charge points	71	143	149	239	EV Charge Point data collected by Merton's Transport Team.
	Electric or hydrogen bus routes	Routes	0	0	0	1	Route 200 (Raynes Park to Mitcham) became electric in 2021. Source TfL

<sup>13</sup> The Domestic RHI scheme is scheduled to close to new applicants on 31 March 2022. A new indicator will need to be used in future years.

<sup>14</sup> This includes both private and company Battery EVs and plug-in hybrids. Source:

<sup>15</sup> This includes both private and company Battery EVs.

Workstream	Workstream Indicator	Unit <sup>11</sup>	2018	2019	2020	2021	Source
	Participation in Sustrans' Big Pedal	Schools/yr	N/A	7	0	21	Big Pedal Schools 2021 available at <a href="https://bigpedal.org.uk/schools?search_name=&amp;search_la=234&amp;sub=Find+Schools">https://bigpedal.org.uk/schools?search_name=&amp;search_la=234&amp;sub=Find+Schools</a>
	Schools Streets	Streets	0	3	30	30	School streets available at <a href="https://www.merton.gov.uk/streets-parking-transport/school-safety-zones">https://www.merton.gov.uk/streets-parking-transport/school-safety-zones</a>
	New Low Traffic Neighbourhoods <sup>16</sup>	Neighbourhoods	0	0	5	5	Data provided by Merton's Transport Team.
	Cycle Hangars	Hangars	1	1	1	20	Merton's Sustainable Infrastructure Story Map available at <a href="https://storymaps.arcgis.com/stories/12050fded6c64aa7ad8317cf74526a9c">https://storymaps.arcgis.com/stories/12050fded6c64aa7ad8317cf74526a9c</a>
WS5: Green infrastructure	Canopy cover	%	N/A	N/A	28	N/A	Merton Green & Blue Infrastructure, Biodiversity and Open Space Study 2020 available at <a href="https://www.merton.gov.uk/system/files?file=1.20giboss20summary20report.pdf">https://www.merton.gov.uk/system/files?file=1.20giboss20summary20report.pdf</a>
	Tree numbers on private land	Trees/yr	TBC				
	Tree numbers on public land	Trees	N/A	N/A	N/A	54,791	Highway Asset database = 20,750 street trees Parks, Schools, Cemeteries = 34,041 trees
	Number of SUDs Interventions	SUDs Features	6	7	8	11	Data provided by Merton's Flooding Team.
	Streets participating in Merton Garden Streets	Streets/yr	N/A	N/A	N/A	92	Registration link available at <a href="https://www.frontgardenfriendly.uk/Mertongardenstreets">https://www.frontgardenfriendly.uk/Mertongardenstreets</a> - <a href="https://docs.google.com/spreadsheets/d/1nWQDcj6p57Tt0L_yzLBoUfwSRwF1JSrvht9tRm9LVls/edit?usp=sharing">https://docs.google.com/spreadsheets/d/1nWQDcj6p57Tt0L_yzLBoUfwSRwF1JSrvht9tRm9LVls/edit?usp=sharing</a>
	High street and school parklets	Parklets	N/A	N/A	N/A	10	Merton's Sustainable Infrastructure Story Map available at <a href="https://storymaps.arcgis.com/stories/12050fded6c64aa7ad8317cf74526a9c">https://storymaps.arcgis.com/stories/12050fded6c64aa7ad8317cf74526a9c</a>
WS6: LBM Estate and fleet management	LBM Operational buildings electricity use	GWh/yr	5.2	5	3.1	N/A	Data provided by Merton's Facilities Management Team.
	Community Schools electricity use	GWh/yr	5.1	4.7	4.1	N/A	Data provided by Merton's Facilities Management Team.
	LBM Operational buildings gas use	GWh/yr	11.3	11.6	9.6	N/A	Data provided by Merton's Facilities Management Team.

<sup>16</sup> This includes new Low Traffic Neighbourhoods introduced from 2018 onwards but does not include legacy LTNs introduced before 2018.

Workstream	Workstream Indicator	Unit <sup>11</sup>	2018	2019	2020	2021	Source
	Community Schools gas use	GWh/yr	13.7	13.8	14.4	N/A	Data provided by Merton's Facilities Management Team.
	LBM Non-operational buildings electricity use	GWh/yr	TBC				
	LBM Non-operation buildings gas use	GWh/yr	TBC				
	Installed solar PV capacity across Council buildings and community schools	kWp	2067	1980	1980	1980	Data provided by Merton's Facilities Management Team.
	Renewable electricity generated by solar PV across Council buildings and community schools	MWh/yr	1044	952	936	TBC	Data provided by Merton's Facilities Management Team.
	Council Fleet Petrol Vehicle Mileage <sup>17</sup>	km/yr	41,090	56,597	78,072	N/A	Data provided by Merton's Performance Officer.
	Council Fleet Diesel Vehicle Mileage <sup>18</sup>	km/yr	828,478	648,247	622,583	N/A	Data provided by Merton's Performance Officer.
	Council Fleet Petrol Hybrid Mileage	km/yr	8,896	13,369	6,960	N/A	Data provided by Merton's Performance Officer.
	Council Fleet EV Mileage	km/yr	5,427	2,277	6,375	N/A	Data provided by Merton's Performance Officer.
	LBM annual mileage claims for petrol and diesel grey fleet	Miles/yr	282,702	279,857	160,823	N/A	Data provided by Merton Human Resources.
	Fossil fuel vehicles in the Council fleet	Vehicles	94	94	94	N/A	Data provided by Merton's Performance Officer.
	Electric Vehicles in the Council Fleet	Vehicles	1	1	1	N/A	Data provided by Merton's Performance Officer.
	Council fleet emissions	ktCO <sub>2</sub> eq/yr	0.6	0.5	0.4	N/A	Merton's Greenhouse Gas Inventory Report 2021 available at: <a href="https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency">https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency</a> .
	Council operational buildings emissions	ktCO <sub>2</sub> eq/yr	3.7	3.5	2.6	N/A	Merton's Greenhouse Gas Inventory Report 2021 available at: <a href="https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency">https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency</a> .

<sup>17</sup> This includes cars and vans.

<sup>18</sup> This includes cars, vans and HGVs.

Workstream	Workstream Indicator	Unit <sup>11</sup>	2018	2019	2020	2021	Source	
	Community schools emissions	ktCO2eq/yr	4.1	3.8	3.7	N/A	Merton's Greenhouse Gas Inventory Report 2021 available at: <a href="https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency">https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency</a> .	
	Council non-operational buildings emissions	ktCO2eq/yr	TBC					
WS7: LBM Procurements and investments	Weighted Average Carbon Intensity of Merton's Pension Fund	tCO2/\$m sales	219	183	124	87	Data provided by Merton's Pension Fund Investment Consultant.	
	Carbon footprint of Merton's procurements <sup>19</sup>	KtCO2eq/yr	1.8	1.7	1.8	N/A	Merton's Greenhouse Gas Inventory Report 2021 available at: <a href="https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency">https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency</a> .	
WS8: Communication, outreach and LBM corporate procedure <sup>20</sup>	Number of projects being developed and/ or delivered by Merton's Climate Action Group	Projects	N/A	N/A	N/A	10 <sup>21</sup>	Data provided by Merton's Climate Change Team.	
	Individuals signed up to Merton's Climate Action Newsletter	Individuals	N/A	N/A	N/A	3,847	Data provided by Merton's Climate Change Team. Number of subscribers as of 21 December 2021.	
	Merton Climate Action Group followers	Twitter Followers	N/A	N/A	N/A	381	<a href="https://twitter.com/ClimateMerton">https://twitter.com/ClimateMerton</a> . Number of Twitter followers as of 21 December 2021.	

### 2.3 Progress against workstreams and priority actions for 2022

This section provides an overview of the Council's progress in delivering projects that tackle climate change in the first year of implementing Merton's Climate Strategy and Action Plan (Y1, i.e. 2021), and summarises the main intended actions for the following year (Y2, i.e. 2022), for each workstream.

<sup>19</sup> To date, the Council greenhouse gas inventory has only included emissions from Merton's three largest contracts (highways maintenance, green spaces maintenance and waste collection). This figure is expected to increase in future years if emissions data for other contracts becomes available and can be added to Merton's greenhouse gas inventory.

<sup>20</sup> Also see indicators relating to the Council's overall performance in section 2.1.

<sup>21</sup> These projects are: Merton's Schools Climate Action Conference, Energy Matters (Schools energy advice cafes), Merton's Green Buildings Awards, promoting Sustrans' Big Pedal, World Car Free Day and Cycle Buddies locally, The Wheel (circular economy hub), promoting Packshare, Urban Re-Leaf and Merton Garden Streets.

A detailed progress review of all Y1 priority actions, and a full list of priority actions for Y2, are set out in **Annex 4**. This includes a traffic light assessment of the likelihood of delivery for each action (at Y1 and Y2). **Annex 3** sets out key considerations that were made when identifying priority actions to benchmark actions against expected progress towards net-zero carbon.

The main focus of the actions prioritised for Y2 is to continue to develop firm foundations from which low carbon policies, projects and programmes can grow within the Council based on the Y1 actions, and to ensure that the Council is in a position to partner with, support or empower Merton citizens to reduce carbon emissions. This section also identifies where further actions may be necessary in future to fulfil the Council’s commitments under the Climate Strategy and Action Plan.

The assessment of actions and potential future gaps has resulted in a “RAG rating” for each workstream, showing the likelihood of successful delivery of actions to the scale required to fully support Merton’s Climate Strategy and Action Plan. The criteria that the risks were assessed against are set out in **Annex 2**.

**Table 2-4 Workstream risk assessment**

No.	Workstream	RAG Rating at Y1	RAG Rating at Y2
1	Sustainable consumption and low carbon economy	Red	Red
2	Retrofit of the residential and non-residential building stock	Red	Red
3	Future new build and regeneration	Amber	Amber
4	Transport infrastructure and modal shift	Amber	Amber
5	Green infrastructure	Amber	Amber
6	LBM Estate and fleet management	Red	Red
7	LBM Procurements and investments	Amber	Amber
8	Communication, outreach and LBM corporate procedure	Amber	Amber

WS1: Sustainable consumption and low carbon economy (RAG rating Red): Successfully delivering this work stream will require significant behaviour changes from Merton’s residents, businesses and organisations, to drive sustainable consumption habits and enable a transition to a low carbon economy.



In 2021, the Council delivered targeted communications and engagement to encourage sustainable behaviour changes in Merton; working with local partners to maximise the impact and reach of this engagement. This involved highlighting steps that individuals and businesses can take to reduce their carbon footprint; relevant themes included food, business and investments, and waste<sup>22</sup>.

Community-led initiatives were supported through local partners such as Sustainable Merton and Merton's new Climate Action Group. The Council launched Merton's Climate Action Group in January 2021 to foster climate action in the borough; this has resulted in the development of several community-led projects which promote a low carbon economy. In November 2021, Neighbourhood Community Infrastructure Levy (CIL) funding was allocated to a number of relevant community-led projects (e.g. The Wheel: a local circular economy hub for Merton) for delivery in 2022<sup>23</sup>.

The Council also directly supported a recycling on-the-go scheme in Wimbledon town centre, the Morden Library of Things and activity to promote London Circular Economy Week which all helped promote waste reduction and a circular economy.

To date, officers have experienced high levels of engagement from a small group of passionate and dedicated residents who have driven the development of a number of community-led projects. However, achieving this workstream will also require action and behaviour change from residents and businesses who aren't already engaged in the climate agenda. In 2022, the Council therefore intends to build on Y1 activities, and extend engagement to groups which have been less represented to date. See [WS8: Communication, outreach and LBM corporate procedure](#) below for more details on the Council's wider engagement and comms plans for 2022.

This workstream also requires wider engagement with partners outside Merton. In 2021, the Council supported cross-borough programmes via the South London Partnership (SLP), London Councils' seven programmes on climate change<sup>24</sup> and the London Recovery Board's Green New Deal mission<sup>25</sup> to (1) lobby for faster change in promoting a low carbon economy, (2) promote a green recovery from Covid, and (3) understand the green skills required to deliver our net zero carbon targets. Initiatives progressed in Y1 include the Mayor's Construction Academy for South London, the South London Knowledge Exchange Project, and the *Green Jobs and Skills in London: cross-London report*<sup>26</sup>. The Council also worked with local partners, to promote sustainable behaviours in local business through Merton's Best Business Awards, and to support the development of green skills in Merton through Merton's Towards Employment Programme.

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<sup>22</sup> Merton's climate pledge ideas are available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/make-your-climate-change-pledges>.

<sup>23</sup> NCIL 2021 allocations <https://democracy.merton.gov.uk/documents/s44181/Appendix%20A.pdf>

<sup>24</sup> <https://www.londoncouncils.gov.uk/our-key-themes/environment/climate-change>

<sup>25</sup> <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/green-new-deal>

<sup>26</sup> <http://southlondonpartnership.co.uk/wp-content/uploads/2021/11/Green-Jobs-and-Skills-in-London-Final-Report.pdf>

In 2022, through the SLP Green New Deal working group and the SLP Skills & Employment working group, the Council will continue to develop opportunities for collaboration towards a Green Recovery in South London. Understanding of low carbon skills, knowledge and behaviours in local businesses is currently limited but further research is underway and expected to be published in early 2022; this should help inform engagement with local stakeholders regarding green skills and jobs. Other opportunities for collaboration which are currently being investigated include engagement to promote a circular economy across South London.

In 2021, Merton also worked with the South London Waste Partnership (SLWP) and Viridor to baseline carbon emissions, and to consider actions to reduce emissions, from the processing of local authority collected waste at the Beddington Energy Recovery Facility (ERF). These emissions have been added to Merton's borough greenhouse gas inventory<sup>27</sup>, and Merton will continue to contribute to the Beddington ERF decarbonisation plans in 2022 through the SLWP steering group. The draft South London Waste Plan was also submitted to the Secretary of State for an Examination in Public and is expected to be adopted in 2022.

Limited Council resources and funding fall short of the sort of action required to influence behaviour across the borough at the pace and scale of change required. In the context of current government funding, financial support for future projects is unlikely to increase within Merton, so increased focus will be put on finding external partners and applying for funding external to the Council.

WS2: Retrofit of the residential and non-residential building stock (RAG rating: Red): Successfully delivering this work stream will require significant uptake of good quality domestic and non-domestic retrofit by homeowners, business owners, and private and social landlords in Merton. As well as reducing energy demand and carbon emissions, this will help tackle fuel poverty and build climate resilience in the borough.

Key barriers to retrofit include the lack of understanding of homeowners/ business owners/ landlords regarding how to retrofit their properties, the up-front costs, and the lack of skilled installers and supply chain issues<sup>28</sup>.

To increase local understanding and awareness, in 2021 the Council promoted retrofit and energy saving measures through Merton's climate communications campaign<sup>29</sup> and schemes like Solar Together London<sup>30</sup>. These have also been promoted via local partners including Sustainable Merton and

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<sup>27</sup> Aether (2022) London Borough of Merton Greenhouse Gas Inventory Report 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>.

<sup>28</sup> Supply chain issues have been amplified over the last year as a result of increased demand due to the availability of national funding, and reduced supply which has been affected by Covid and Brexit.

<sup>29</sup> Merton's climate pledges: Buildings & Energy. Available at <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/make-your-climate-change-pledges/buildings-and-energy>.

<sup>30</sup> Solar Together London <https://www.london.gov.uk/what-we-do/environment/energy/solar-together-london>.

Merton's Climate Action Group (MCAG). The MCAG Buildings & Energy group is working to showcase low carbon homes in Merton and run energy advice cafes in schools to empower the younger generation to drive behaviour change around energy use; the latter project was allocated Neighbourhood CIL funding to support delivery in 2022. The Council is also considering opportunities for collaboration with the South London Partnership to develop shared resources to promote retrofit.

In addition, Merton has engaged with local housing providers to promote domestic retrofit and to support them in accessing national retrofit funding. The Council facilitated a workshop with social housing providers in January 2021 to get an overview of social housing decarbonisation plans in Merton, to understand the key obstacles and operational challenges to retrofitting the local social housing stock, and to consider opportunities for collaboration. The intention is to run a similar workshop in 2022 to facilitate knowledge and skills sharing between local housing providers, and to inform a borough-wide retrofit strategy.

To help address the upfront costs of retrofit, throughout 2021 the Council has worked with partners to apply for national retrofit funding for fuel poor homes in Merton through the Green Homes Grant Local Authority Delivery (LAD) Scheme, the Social Housing Decarbonisation Fund<sup>31</sup>, and the Sustainable Warmth Competition<sup>32</sup>. To date, retrofit delivery has been limited due to national challenges in delivering the Green Homes Grant Voucher Scheme<sup>33</sup> (which has now been cancelled) and regional challenges and delays in delivering the Green Homes Grant LAD scheme. Referrals for eligible Merton households are now being progressed under Phase 1B of the LAD scheme<sup>34</sup>. The Council is awaiting confirmation of delivery plans for subsequent phases of LAD funding and Sustainable Warmth funding. Current national funding schemes are targeting fuel poor homes so further work is required to consider mechanisms to overcome up-front costs for homes that are considered 'able-to-pay'.

To date there has been limited capacity within the Council to drive borough-wide retrofit. However, in 2021 funding was allocated to recruit two additional members of staff from April 2022 to promote borough-wide retrofit. Priority actions for 2022 will include the development of a retrofit strategy for the borough to consider key barriers to retrofit in Merton, mechanisms to overcome supply chain issues and upfront costs (for able to pay and fuel poor homes), and how best to engage with local homeowners, businesses and landlords to drive the uptake of good quality retrofit. Securing and delivering national retrofit funding in Merton will also be a priority for 2022. It is worth noting here that delivery is subject to being able to recruit suitably qualified staff, but given the intense competition in the market for energy professionals it is not clear how easy this will be.

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<sup>31</sup> Wave 1 of the Social Housing Decarbonisation Fund <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund>.

<sup>32</sup> Sustainable Warmth Competition <https://www.gov.uk/government/publications/apply-for-the-sustainable-warmth-competition>.

<sup>33</sup> Green Homes Grant Voucher Scheme <https://www.gov.uk/guidance/apply-for-the-green-homes-grant-scheme>.

<sup>34</sup> Green Homes Grant LAD1B <https://www.gov.uk/government/publications/green-homes-grant-local-authority-delivery-scheme-entering-a-bid>.

The Council is also engaging with pan-London groups to lobby central government to address supply chain issues, as well as skills and funding gaps, in delivering retrofit. Work with the South London Partnership will hopefully help identify local skills and jobs gaps, and inform engagement with local stakeholders.

Action to date falls far short of stimulating the very substantial and sustained ramp up of retrofit required, both in terms of the number of buildings and depth of low carbon measures needed to achieve zero carbon buildings by 2050. This is not helped by the complicated national funding and policy landscape, so lobbying central government for supportive national policy and an effective long-term funding framework continues to be a priority.

WS 3: Future new build and regeneration (RAG rating: Amber): Successfully delivering this work stream will require that all new developments in Merton, and Merton's energy infrastructure, are compatible with our climate commitments and adaptable to a changing climate.

Merton's New Local Plan was submitted to the Secretary of State for independent Examination in December 2021<sup>35</sup>. The Council has set ambitious Climate Change policies to ensure that from 2025 all new development is compatible with operating at net-zero carbon by 2050 without the need for expensive retrofit. However delivery is dependent on the outcome of the Examination and government policy; including Building Regulations and the impacts of the government's fundamental reforms of the wider planning system. The intention is to adopt Merton's new Local Plan in 2022 following the Examination in Public but this will depend on the examination timescales and outcomes. The Council has also engaged with a range of partners to lobby for faster change in national and regional planning policy, and developing the green skills sector; this will continue in 2022.

The Council is no longer procuring housing directly but will work with partners to ensure new development is compatible with Merton's 2050 borough-target, and continues to seek to secure the delivery of low carbon development within Morden town centre.

Funding has also been secured to develop an energy masterplan to ensure that Merton has the capability to make a transition from gas heating to low carbon alternatives and from fossil fuel transport to electric.

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<sup>35</sup> Merton Local Plan submission to the Secretary of State (2021), available at: <https://www.merton.gov.uk/planning-and-buildings/planning/local-plan/newlocalplan/local-plan-submission>.

WS 4: Transport infrastructure and modal shift (RAG rating: Amber): Successfully delivering this work stream will require everyone who works, lives and studies in Merton to shift from fossil fuel based modes of transport towards more active and sustainable travel, and ensuring that the supporting infrastructure is in place to enable this modal shift.

In 2021, Merton successfully completed the delivery of its emergency Covid Transport Strategy to help support active travel in the borough<sup>36</sup>. Projects delivered included 4 cycle lanes, 5 Low Traffic Neighbourhoods, 28 Schools Streets, 20 Cycle hangars and 20 school cycle shelters. However, the ongoing funding crisis at TfL resulted in the borough receiving a significantly reduced Local Implementation Plan (LIP) funding allocation in 2021/22, so delivery of transport infrastructure projects in the latter half of 2021 has been much less than anticipated. The Council continued to deliver programmes to support active travel, such as cycle training<sup>37</sup>, health walks<sup>38</sup>, the Stars School Travel Plans<sup>39</sup>, and maintaining Safer Routes to School<sup>40</sup> and Public Rights of Way. However, there was also a reduced level of delivery of some of these projects in 2021 compared to previous years due to the impact of Covid restrictions and the reduced TfL LIP funding allocation.

Short term transport priorities were reviewed and a more strategic approach used to develop an interim LIP delivery programme for 2022/23. However, the availability of TfL funding remains highly uncertain and it appears unlikely that sufficient LIP funding will be allocated to enable full delivery of the programme in 2022/23.

The Council also supported Merton's Climate Action Group (Transport sub-group) who have been involved in promoting a number of national initiatives locally to engage with residents and promote active travel and wider climate action in Merton. These have included Sustrans' Big Pedal<sup>41</sup>, World Car Free Day<sup>42</sup> and Cycle buddies<sup>43</sup>.

To support the uptake of EVs the Council introduced 90 lamp column chargers<sup>44</sup> in 2021 and has submitted a bid for Government funding to deliver a larger batch of lamp column chargers in 2022. There has been increased demand for and use of EV charge points from a greater than anticipated transition to

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<sup>36</sup> Merton's Covid-19 Transport Strategy available at: <https://www.merton.gov.uk/streets-parking-transport/lip3>.

<sup>37</sup> Merton cycle training for adults <https://www.merton.gov.uk/streets-parking-transport/road-safety/adult-cycle-training> and children <https://www.merton.gov.uk/streets-parking-transport/road-safety/childrens-cycle-training>.

<sup>38</sup> Merton Walks4Life <https://www.merton.gov.uk/healthy-living/sport-and-healthy-living/walk-4life>.

<sup>39</sup> Merton supports TfL's STARS programme <https://stars.tfl.gov.uk/>.

<sup>40</sup> Merton Safer routes to schools: road safety improvements <https://www.merton.gov.uk/streets-parking-transport/traffic-management/safer-routes-to-school>.

<sup>41</sup> Sustrans' Big Pedal 2021 <https://bigpedal.org.uk/>.

<sup>42</sup> Merton Play Streets <https://www.merton.gov.uk/streets-parking-transport/streets-and-pavements/play-streets>.

<sup>43</sup> Merton Cycle Buddies <http://www.mertoncyclingcampaign.org.uk/p/cycle-buddies.html>.

<sup>44</sup> Merton Council – Charging your electric vehicle <https://www.merton.gov.uk/streets-parking-transport/electric-vehicle-charging-points>.

ownership of lower emissions vehicles, which may have been accelerated by national policy announcements on the ending of petrol/ diesel car sales by 2030 and the expansion of the ULEZ in 2021. For this reason, Cabinet resolved that the proposed introduction of new emission-based parking charges was no longer necessary to encourage uptake of lower emission vehicles by residents<sup>45</sup>.

Merton has continued to develop our transport policies including through the submission of Merton's New Local Plan<sup>46</sup>, which strengthens the focus towards active and sustainable travel, in accordance with the Mayor's Transport Strategy<sup>47</sup>, the new London Plan<sup>48</sup> and the Government's recently published Decarbonising Transport strategy<sup>49</sup>. The Council will continue this approach in 2022, through the further development of a LIP delivery plan for the period up to 2025 and work towards long-term transport strategies for the delivery of integrated cycling, walking and EV charging networks.

The Council has also continued the implementation of Merton's Air Quality Action Plan<sup>50</sup>. Initiatives include air quality monitoring, air quality audits in schools, Merton's anti-idling campaign, supporting the world's first Low Emission Zone for Construction, the Wimbledon Clean Air Village, setting targets for new development through a new Air Quality Supplementary Planning Document, as well as delivering public health messaging and events<sup>51</sup>. These are reported annually as part of the Council's annual air quality status reports<sup>52</sup> and a new Air Quality Action Plan will be developed in 2022.

WS 5: Green infrastructure (RAG rating: Amber): Successfully delivering this work stream will require increased tree planting and green infrastructure projects by the Council and private landowners, and increased public participation in community planting.

The maintenance of green spaces and Merton's tree replacement programme continues, alongside new tree planting. The Council is currently undertaking a tree strategy for delivery in 2022. The strategy will provide a coherent framework to maximise tree benefits and minimise tree problems, establishing a clear framework to achieve consistency of decision making, along with clear aims and strategic objectives for the betterment of our tree population. Funding has also been secured for street tree replacement and new tree planting next year. During the annual tree planting programme for 2020/21, the

<sup>45</sup> Merton's Emissions Based Parking Charges Review (2021), available at: <https://democracy.merton.gov.uk/ieListDocuments.aspx?CId=146&MId=3975&Ver=4>.

<sup>46</sup> Merton Local Plan submission to the Secretary of State (2021), available at: <https://www.merton.gov.uk/planning-and-buildings/planning/local-plan/newlocalplan/local-plan-submission>.

<sup>47</sup> Mayor's Transport Strategy, available at: <https://tfl.gov.uk/corporate/about-tfl/the-mayors-transport-strategy>.

<sup>48</sup> Mayor's London Plan (2021), available at: <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/london-plan-2021>.

<sup>49</sup> Department for Transport's Decarbonising Transport (2021), available at: <https://www.gov.uk/government/publications/transport-decarbonisation-plan>.

<sup>50</sup> Merton Air Quality Action Plan 2018-2023 <https://www.merton.gov.uk/system/files?file=merton20aqap2020182023.pdf>.

<sup>51</sup> Further details are available in Annex 4.

<sup>52</sup> Merton Air quality plans and reports <https://www.merton.gov.uk/communities-and-neighbourhoods/pollution/air-quality-and-air-pollution/local-air-quality-management>.

service planted 328 street trees against a target of 235, representing a 40% improvement against the target. In addition, the Council's tree service has been successful in receiving further external funding to establish an additional 283 standard (i.e. >1.8m tall) trees in our parks. The planting will focus on areas with less canopy cover and 53% of the trees will be planted in the East of the borough.

As part of Merton's new Local Plan, new Green and Blue Infrastructure policies were submitted to the Secretary of State for independent examination in December 2021. These include details on improving access to nature and open space, increasing urban greening and net biodiversity gain across the borough, through planning applications, and are supported by the Merton Green Infrastructure Study 2020<sup>53</sup>. The intention is to adopt Merton's new Local Plan in 2022 following the examination in public but this will depend on the examination timescales and outcomes.

Merton has implemented a number of successful green infrastructure projects including Sustainable Urban Drainage systems (SUDs) and parklets as highlighted in Merton's Sustainable Infrastructure Story Map<sup>54</sup>. There are other SUDs interventions being planned and designed for construction next financial year.

In 2021, Merton's Climate Action Group delivered the Merton Garden Streets Initiative<sup>55</sup>, a volunteer-led project delivered by local residents and businesses to make Merton's streets greener. This initiative was very well received by the local community with over 90 streets signing up to planting days over the summer, and feedback highlighted positive impacts for mental and physical wellbeing, developing a greater sense of community, as well as improving local air quality, biodiversity and climate resilience. Neighbourhood CIL funding was allocated in November 2021 to support the delivery of Merton Garden Streets in 2022.

Opportunities to increase vegetation through "grey to green"<sup>56</sup>, are currently unknown, but in 2021, Merton's Climate Action Group secured some funding with Kingston University to map unutilised space in the borough to help better target it for planting. The Council will continue to support the development of community-based planting projects, seek suitable sites for planting and apply for external funding.

WS 6: LBM Estate and fleet management (RAG rating: Red): Successfully delivering this work stream will require the decarbonisation of the Council's operational buildings and fleet, street lighting and community schools.

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<sup>53</sup> Merton Green Infrastructure Study (2020), available at: <https://www.merton.gov.uk/planning-and-buildings/planning/local-plan-research>.

<sup>54</sup> Merton's Sustainable Infrastructure Story Map <https://storymaps.arcgis.com/stories/12050fded6c64aa7ad8317cf74526a9c>.

<sup>55</sup> Merton Garden Streets 2021 <https://www.frontgardenfriendly.uk/Mertongardenstreets>.

<sup>56</sup> "Grey to green" means the replacement of areas of hard standing such as paving, with natural vegetation, including the removal of paving, natural sustainable drainage or flood management, the additional of green walls and roofs.

For the last two and a half years, the Council has sourced 100% of the electricity supply for its operational buildings, street lights and many schools through a green electricity tariff which helps contribute to the decarbonisation of the national electricity grid. The Council is in the process of finalising the appointment of a solar PV design and installation company, with the intention to install and expand systems wherever feasible across its building portfolio, adding to the current portfolio which already includes over 2MWP of generation capacity. Further the Council hopes to install several battery storage systems at sites with existing solar PV to further enhance the use of zero carbon power on site and provide financial savings to the Council. The Council has also now converted 10,679 streetlights (82% of all our streetlights in the borough) to LEDs. The remaining legacy bulbs will continue to be phased out through a combination of standard maintenance and Community Infrastructure Levy (CIL) funding.

Grant money of nearly £500,000 was secured through Phase 1 of the Public Sector Decarbonisation Scheme (PSDS)<sup>57</sup>, and a contractor was appointed to deliver the works. The current energy crisis, combined with the intense demand for construction materials, equipment and renewable heating technologies has caused significant issues for year 1 projects, and is expected to continue through Q1 & 2 of 2022/23. This has necessitated the development of a revised scope of works, in order to meet the grant funding criteria, which is currently being considered by Salix. No further external funding has been applied for to date, with officers concentrating on delivery of the PSDS Phase 1 works. Outcomes will be reviewed and installations monitored in 2022 to identify lessons learnt from the first phase of delivering PSDS funding. Work has also started to investigate the use of battery storage; this will continue in 2022 with the delivery of the revised PSDS scope of works which now includes the installation of battery storage systems at three sites in Merton's portfolio.

Work to create a set of criteria to prioritise the Council's buildings for decarbonisation works is nearing conclusion, and officers are exploring the potential to secure a delivery partner for work on the 2030 net zero target. It is hoped such a partner would greatly increase the Council's capacity to secure and implement grant funded works. In 2022, Merton's Property and Asset Management Board will also implement a mechanism to ensure that new Council buildings are capable of operating at net zero carbon by 2030 without requiring significant retrofit.

In 2021, a draft roadmap was developed for the decarbonisation of the Council's fleet and consideration given to the phased installation of EV charging infrastructure to support it. Capital bids have been submitted for the replacement vehicles of Merton's internal and service provider fleet, and the Council has allocated circa £12m in the draft capital programme for the decarbonisation of Merton's refuse collection fleet from 2025. A further £6m is in the draft capital programme for the decarbonisation of our internal fleet. A strategy will be developed in 2022 outlining the infrastructure required to support a decarbonised fleet and associated costs.

Covid has delayed the implementation of permanent staff travel policies but has also resulted in a significant shift in staff travel behaviours, with a large increase in remote working and associated reduction in staff travel. The implementation of improvements to staff cycle parking and travel infrastructure has been delayed in order that likely future staff travel patterns and demand can be reassessed once this has settled. The Council will develop new staff

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<sup>57</sup> Phase 1 Public Sector Decarbonisation Scheme <https://www.salixfinance.co.uk/PSDS>.



travel policies to support a transition to sustainable travel modes and low emissions vehicles for essential staff travel, including through improved cycle parking facilities for the Civic Centre.

To date, limited staff capacity has prevented the development of further projects and grant funding proposals relating to this workstream. However, in 2021, the Council allocated funding to increase capacity and recruit additional members of staff to lead on the decarbonisation of the Council fleet, estate and community schools, and supporting infrastructure needs. The recruitment of a new member of staff to support the ongoing development of the decarbonisation plans for the Council's operational buildings and community schools should commence in early 2022, though given the intense competition in the market for energy professionals it is not clear how easy recruiting a suitably qualified person will be. The fleet management team is also looking to increase capacity and secure technical support to lead on the decarbonisation of Merton's fleet from early 2022. This will also be subject to the availability of expertise in a competitive market.

Merton's Green and Healthy Guardians group was set up as a joint project between the Public Health and Climate Change teams in 2020 to encourage staff-led climate action in the workplace. This was paused in 2020 due to Covid and a shift to working from home. The role of this group will be reconsidered in early 2022, in the context of wider staff engagement plans, once the new Climate Engagement Officer has been recruited.

WS 7: LBM Procurements and investments (RAG rating: Amber): Successfully delivering this work stream will require the reduction of greenhouse gas emissions from Merton's procurements and pension investments, whilst balancing the need to reduce emissions with the potential additional costs of services.

Work is ongoing with individual contractors to measure and reduce emissions from existing contracts. To date engagement has focussed on Merton's largest contracts involving highways maintenance, green spaces maintenance, and the collection and treatment of local authority collected waste. In 2021, Merton trialled innovative low carbon technologies in highways maintenance schemes with FM Conway, and worked with the South London Waste Partnership (SLWP) and Viridor to baseline carbon emissions from the processing of local authority collected waste, which have now been included in the Merton borough greenhouse gas inventory<sup>58</sup>. In 2022, Merton will continue to engage with the SLWP and Viridor to identify and deliver opportunities to reduce emissions from the treatment of Merton's local authority collected waste, but this will also be dependent on the volumes and types of waste

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<sup>58</sup> Aether (2022) London Borough of Merton Greenhouse Gas Inventory Report 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>.

generated by residents. The Council will continue to trial low carbon technologies in Merton's contracts where appropriate, and seek to embed Merton's climate commitments in, and better understand the scale of emissions from, other existing contracts.

In 2021, Merton's procurement policies and procedures have been reviewed to embed climate considerations in new contracts. Merton's Contract Standing Orders<sup>59</sup> (CSOs) were updated to require Responsible Officers to give due consideration to the Council's commitment to the Climate Emergency and seek approval from Merton's Procurement Board when considering procuring any contract that has any carbon implications/impacts, irrespective of the value of the contract. The CSO training and procurement toolkits have been updated accordingly. The Commercial Services' Gateway report templates have been updated to include an 'Environmental Consideration' section to ensure that consideration is given to the climate emergency for all contracts over £100k (or below £100k where a specific contract has any carbon implication / impact). The Council's new Social Value Charter also incorporates a mechanism for considering the impact of climate change mitigation for relevant contracts. In 2020/21, the Council embedded the Council's climate commitments in the tendering process for Merton's school meals catering contract review to ensure that carbon reduction is central to the contract and to provide sustainable meals to Merton's community schools. Priorities for 2022 include rolling out these new policies and procedures across Merton's new contracts.

Over the last few years, while ensuring that Merton Pension Fund investments deliver the expected returns to meet members' benefits and to keep the employers' contribution stable, the Council has made sure that the Fund moves out of fossil fuels towards low carbon, sustainable and renewable energy sectors. Environmental, Social and Governance (ESG) and climate change factors have been incorporated into the Fund's Investment Strategy<sup>60</sup> and this is formalised in the Fund's Investment Belief Statement. The Fund's weighted average carbon intensity has reduced by 60% between 2018 and 2021, and as of June 2021 its measurable carbon footprint was 30% lower than it was the year before. In 2022, the Fund will seek to continue to decarbonise its portfolio.

WS 8: Communication, outreach and LBM corporate procedure (RAG rating: Amber): Successfully delivering this work stream involves raising climate awareness in Merton and empowering residents, businesses, organisations, Council staff and councillors to act to reduce emissions and adapt to the impacts of climate change.

Throughout 2021, working with local comms partners, the Council developed and delivered an external climate comms campaign to increase local climate awareness and engagement. This included Merton's climate pledges<sup>61</sup> which identified steps that residents and businesses can take to reduce their carbon footprint. Merton's Climate Action Newsletter<sup>62</sup> was also launched to highlight climate action happening in the borough, and now has over 3,800

<sup>59</sup> Further information is available at: <https://democracy.merton.gov.uk/documents/s40335/Revisions%207%20July%202021.pdf>

<sup>60</sup> Merton Pension Fund Investment Strategy Statement (2017), available at: <https://www.merton.gov.uk/system/files?file=merton20pension20fund-20investment20strategy20statement-050618.pdf>

<sup>61</sup> Merton's climate pledges <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/make-your-climate-change-pledges>

<sup>62</sup> Anybody can sign up to Merton's Climate Action Newsletter here: <https://public.govdelivery.com/accounts/UKLBM/signup/19626>.

subscribers. The Council also developed specific climate comms for key events including the London Circular Economy Week, World Car Free Day and COP26. In addition, the Your Merton Consultation which ran in 2021 confirmed that sustainability is a local priority and will be embedded in Merton's Covid recovery plans.

Merton's Climate Action Group was also launched in January 2021 to support community-led climate action projects in Merton and has resulted in the development of ten community projects across the four key themes of Merton's Climate Strategy & Action Plan: Transport, the Green Economy, Buildings & Energy, and Greening Merton. In November 2021, Neighbourhood CIL funding was allocated to support the delivery of a number of community-led projects with climate benefits in 2022.

To date, officers have experienced high levels of engagement from a small group of passionate and dedicated residents who have driven the development of a number of community-led projects. However, achieving this workstream, and most of the other workstreams listed above, will also require action and behaviour change from residents and businesses who aren't already engaged in the climate agenda. In 2022, the Council therefore intends to build on Y1 activities, and extend engagement to groups which have been less represented to date. This includes economically disadvantaged groups; residents that consider themselves to be from Black, Asian and Minority Ethnic backgrounds; groups representing the interest of residents with a disability; and businesses. Funding has been allocated to recruit a Climate Engagement Officer to lead on climate change engagement from early 2022, and to support community-led action and engagement via Merton's Climate Action Group and other local partners.

To date, engagement with Council officers to inform the development of Merton's Climate Strategy & Action Plan and climate delivery plans has reached across all Council departments, but has been limited to a relatively small number of key officers. A staff climate survey (November 2021) highlighted the need for increased internal engagement with and climate training for LBM staff across all departments and teams. The intention is to develop general carbon literacy e-learning modules for council staff in 2022. Further work will be carried out in 2022 to consider the best approach to engage with Council officers and councillors to identify opportunities for carbon reduction in their work and any further training needs across the Council's services.

In 2021, a number of changes have been made to embed climate change in the Council's procurement procedures and policies as set out above in WS7: LBM Procurements and investments. In 2022, the Council will investigate other mechanisms to ensure that climate change is considered when taking all Council decisions.

### 3. PROGRESS TOWARDS MEETING THE NET-ZERO CARBON TARGETS

“A Strategy to Combat Climate Change” recognises that Merton cannot achieve our climate ambition in isolation, and that we are dependent on many wider factors, such as a supportive national policy framework, additional funding, and behaviour changes of many individuals, business and organisations.

This section considers the likelihood that the net-zero carbon targets will be met. The main measure is through an annual estimate of greenhouse gas (GHG) emissions, for which the table below represents the period 2017-2019 for the borough inventory and 2018-2020 for the Council inventory<sup>63</sup>. It is worth noting here that there is a lag between the Council’s actions and the GHG inventory due to availability of the emissions data, but the GHG emissions give an indication of the direction of travel.

There have been some changes in the emissions estimates for the baseline year compared to the Year 1 Delivery Plan following Merton’s GHG inventory update in 2021. In part this is due to changes in national activity data and emission factors used in national datasets for the baseline year. In addition, in some cases where emissions data was not previously available for inclusion in the baseline inventories, new data has now become available and been added to the inventories. This includes emissions from the processing of local authority collected waste which have been added to the borough inventory, and emissions resulting from machinery use associated with Merton’s green spaces maintenance contract which have been added to the Council inventory. Further details of how the emission estimates were formed and all changes since the baseline inventory are set out in Merton’s GHG Inventory Report 2021<sup>64</sup>.

Considering the pace and scale of action, both inside and outside of the borough, we also assess the likelihood that progress is sufficient to achieve our net-zero targets in Table 3-1 below. Further details of how the likelihood of meeting the net-zero targets was assessed are provided in **Annex 2**.

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<sup>63</sup> The baseline GHG inventory which informed Merton’s Climate Strategy & Action Plan in 2019/20 was based on 2017 data for the borough emissions (due to availability of national data sets) and 2018 data for the Council target (due to availability of Council activity data). Merton’s updated greenhouse gas inventory (Merton Greenhouse Gas Inventory Report 2021) provides the latest Council and borough greenhouse gas emissions figures based on two years of additional data.

Baseline inventory: Aether (2020) London Borough of Merton Climate Action Support, available at: [https://www.merton.gov.uk/system/files?file=merton\\_support-climate-action\\_v3.1.pdf](https://www.merton.gov.uk/system/files?file=merton_support-climate-action_v3.1.pdf)

Inventory Update: Aether (2022) London Borough of Merton Greenhouse Gas Inventory Report 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>.

<sup>64</sup> Aether (2022) London Borough of Merton Greenhouse Gas Inventory Report 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>.

**Table 3-1 Assessment of emissions and likelihood of meeting net-zero targets**

<b>Borough Emissions</b>	<b>Unit</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Likelihood of meeting 2050 target</b>
Total Borough Emissions	Kt CO2eq	767	701	663	Low
2050 Green Economy	Kt CO2eq	48*	37	26	Low
2050 Buildings and Energy	Kt CO2eq	566	514	491	Low
2050 Transport	Kt CO2eq	154	151	148	Medium
2050 Greening Merton	Kt CO2eq	-1.1	-1.1	-1.1	N/A
<b>Council Emissions</b>	<b>Unit</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Likelihood of meeting 2030 target</b>
2030 Council Emissions	KtCO2eq	11	10	9	Low/Medium

\*This figure relates to the processing of Merton’s Local Authority collected waste at the Beddington ERF. Merton’s borough inventory does not include wider scope 3 consumption-based emissions due to the lack of robust data, but these are estimated to be over 1,000 ktCO2eq.

Total borough emissions:

Total borough emissions decreased throughout the time series, reducing by 13% between 2017 and 2019. In Merton’s GHG Inventory Report 2021, Aether found that the total borough emissions are not decreasing as quickly as originally modelled in their decarbonisation pathway which helped inform Merton’s Climate Strategy & Action Plan in 2020<sup>65</sup>, but they noted that the comparison should be seen as indicative only.

Sectors that have the greatest significance in terms of emissions (the green economy, buildings and energy) are also areas where delivery challenges are greatest, the Council has the least control and the resource gaps are widest. Within the current government policy and funding framework it is unlikely that the net-zero targets can be met.

Green Economy:

Merton’s GHG inventory only includes emissions from the processing of local authority collected waste at the Beddington Energy Recovery Facility under the Green Economy theme (approx.. 26 KtCO2eq, 4% of the total borough emissions in 2019). In 2020, the South London Waste Partnership (SLWP) set up a carbon working group with the four SLWP boroughs (Croydon, Kingston, Merton and Sutton) and Viridor to agree an approach for baselining, monitoring

<sup>65</sup> Aether (2022) London Borough of Merton Greenhouse Gas Inventory Report 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>.

and reducing emissions associated with the SLWP residual waste treatment contract. This includes emissions from the Beddington Energy Recovery Facility (ERF). Residual Waste treated during 2019-2020 has formed the baseline. A proportion of the carbon emissions from the baseline year have been attributed to Merton based on the amount of residual waste treated through the contract as a proportion of the total<sup>66</sup>. This figure has been included in the borough GHG inventory. Emissions data for 2017-18 and 2018-19 have been estimated based on the waste tonnage figures for those years and the carbon intensity of treating waste at the Beddington ERF compared to sending waste to the Beddington Landfill Site<sup>68</sup>. The trend in waste processing emissions between 2017 and 2019 is only an approximation and does not reflect efforts to decarbonise the ERF operations, but this reveals the reduction in carbon emissions as Merton has transitioned away from landfill and towards ERF since 2017-18.

Wider scope 3 consumption-based emissions relating to the embedded emissions in the consumption of goods and services by residents within Merton have not been included in the borough inventory due to the lack of robust data but are presented in Merton's 2021 GHG inventory report to demonstrate the scale of a more complete scope 3 estimate. The total consumption-based emissions are estimated at 1,079 ktCO<sub>2</sub>eq. If these consumption-based emissions were included in Merton borough's GHG inventory for 2019, this would comprise 62% of Merton's GHG emissions. Further details can be found in Merton's 2021 GHG Inventory Report<sup>69</sup>.

The sustainability of products and services is complex with many impacts occurring outside the borough. Residents and businesses of Merton generally have low influence on the sale and purchase of low carbon products and services. A move to a green economy requires mass behaviour change in purchasing habits, and changes to national regulation and industry practice, for which the Council has a low level of influence. Major economic impacts from Covid could reduce demand of more expensive sustainable options. Promotion of cheaper options (up-cycling/ low meat diets) may have greater effect in the current economic climate.

LBM has a strong track record and forward plan on recycling and for local authority collected waste which makes up about half of all waste collected in the borough. Separated waste collection helps residents to recycle, but does little to prevent waste arising; which would have the greatest impact on

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<sup>66</sup> Beddington Energy Recovery Facility & Residual Waste Contract 2019-2043 Carbon Management Plan, Baseline Year: 2019-2020, available at: <https://moderngov.kingston.gov.uk/ieListDocuments.aspx?CId=432&MId=9275&Ver=4>.

<sup>67</sup> These figures are based on Merton residual waste tonnages provided by the South London Waste Partnership (SLWP). They differ slightly from the figures that appear in Viridor's Carbon Management Plan (published June 2021) as Viridor's figures include street sweepings (while the SLWP figures do not). The SLWP and Viridor are aware of this minor discrepancy and work will be carried out over the next 12 months to reconcile them. This may result in minor changes to both the Viridor Carbon Management Plan and the next iteration of Merton's greenhouse gas inventory.

<sup>68</sup> Aether (2022) London Borough of Merton Greenhouse Gas Inventory Report 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>.

<sup>69</sup> Aether (2022) London Borough of Merton Greenhouse Gas Inventory Report 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>.

emissions. The means of collection and treatment of commercial and industrial waste in Merton is divided amongst commercial contracts between businesses and waste disposal companies, over which the Council has no control.

Business engagement on the climate agenda appears relatively low at present, in part due to the focus on dealing with the ongoing impacts and potential aftermath of Covid. There is a significant skills gap in the low carbon economy; particularly in relation to low carbon building and retrofitting which provides a major opportunity to build local jobs within the green skills sector.

#### Buildings and energy:

The sources of emissions in Merton are dominated by the use of natural gas for heating, and electricity for heating and lighting homes, businesses, and other buildings such as hospitals and schools. The greatest reduction in borough emissions between 2017 and 2019 was from electricity use in residential and non-residential buildings which was driven by reductions in the carbon intensity of the UK electricity grid.

Residential gas use remains the largest source of emissions in the borough. 98% of homes in Merton use gas as their primary source of heating and there is currently insufficient evidence to demonstrate any credible options for wide-scale decarbonisation of the gas grid in the short term<sup>70</sup>. All buildings in Merton must therefore be gas free by 2050 in order to achieve our carbon reduction target.

Barriers to retrofitting the building stock within Merton with low carbon measures (mainly insulation and replacing boilers with low carbon heating) remain very high, mainly due to high up-front costs, inconvenience of installation, low understanding and priority amongst most home owners and landlords. The exception is solar PV where suitably located efficient panels still offer a pay-back on investment, and the market has developed funding models which reduce up-front costs for consumers.

There is a major policy and funding gap for retrofit at a National level that is needed in order to grow a sustainable transition to low carbon energy in buildings and a move away from gas heating. This has only now started to be filled by short-term funding opportunities such as the Green Homes Grant, the Social Housing Decarbonisation Fund, and the Sustainable Warmth Competition. However, a complex funding landscape and supply chain issues have delayed delivery of Green Home Grant funding across the South-East. The closure of the domestic and non-domestic Renewable Incentive (RHI) schemes may also impact on the uptake of low carbon heat solutions.

Ensuring that new build development is capable of operating with zero carbon emissions by 2050 without the need for expensive retrofit is a major opportunity to minimise Merton's retrofit burden. The recently reviewed Local Plan policies, if adopted, could make Merton the first Council in the UK to

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<sup>70</sup> Merton's Local Plan incorporating proposed modifications 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/planning/local-plan/newlocalplan/local-plan-submission>.

introduce policies which require new build development from 2025 to use energy systems and levels of energy efficiency which are compatible with achieving zero carbon emissions on site by 2050 without expensive retrofit. Higher local standards may have a short term impact on development if other London boroughs do not quickly follow suit. Wider national planning reform threatens to remove the power of Local Authorities to enforce local targets for all development.

Merton is a constrained area in terms of electricity supply. Further work needs to be done to establish the necessary changes to support a transition in energy infrastructure towards electric heating and vehicles. This will be informed by Merton's Energy Masterplan which is currently expected to be commissioned in 2022.

#### Transport:

Emissions from transport did not change significantly across the time series, with a small 6 ktCO<sub>2</sub>eq total decrease between 2017 and 2019. This was mostly due to a 22% decrease in emissions from buses and rail, as the majority of rail emissions in Merton are from electric trains, which reflects the decarbonising of the UK electricity grid. If the trend of decarbonisation of the National Grid continues thereby decreasing emissions from electricity usage in buildings, the proportion of transport emissions to the total borough emissions may increase in future years.

Notwithstanding the limited change in emissions, car traffic in Merton increased between 2017 and 2019 and is expected to increase in the short term as a result of fewer people using public transport due to Covid-19<sup>71</sup>. Reducing carbon emissions from motor vehicles will require the implementation of a comprehensive package of transport measures that support a shift to sustainable travel options alongside measures to better manage car use, including through a transition to low emissions vehicles for essential car journeys.

The Government's decarbonising transport strategy sets out an ambition for half of all journeys in towns and cities to be cycled or walked by 2030. Achieving this increase in active travel will require significant investment in improved walking and cycling infrastructure in the borough. Merton will produce cycling and walking strategies by 2023 which will set out more detailed proposals for cycle and pedestrian route development but this can be challenging due to physical constraints of Merton's public realm and inadequate levels of funding. Development of cycling and walking strategies that are robust and ambitious enough to achieve the decarbonisation of transport necessary to meet 2050 targets will require significant future political and financial commitment, and this remains uncertain.

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<sup>71</sup> Car traffic decreased in 2020 due to lockdowns but is expected to increase in the short term (<https://www.bbc.co.uk/news/uk-england-london-59949097>).



There is also an opportunity to work with partners including TfL, Network Rail and Public Transport Operators to plan for a long-term transition of public transport infrastructure fit for 2050 low carbon transport. TfL's business plan<sup>72</sup> is consistent with decarbonising public transport in line with Merton's carbon targets. However, the continued uncertainty around the long term impacts of Covid on public transport in London mean there is a continued risk of both ongoing reductions to existing public transport services in the borough and on the delivery of proposed improvements including Cross Rail 2 and Sutton Tram Link. This is likely to impact on the delivery of a sustainable transport led recovery to Covid and the ability to achieve the long term reduction in car use necessary to reach Merton's 2050 target.

Reducing carbon emissions from transport will also require the implementation of policies and measures to reduce overall car use and to enable a shift to zero emissions vehicles for essential journeys. Parking policies are one of the most effective tools available to the Council to manage vehicle use and the Council has adopted parking policies and pricing structures that support sustainable transport objectives, including through the introduction of a £20 EV parking permit. However, achieving the required reduction in car use and emissions is also highly dependent on national and regional policies and initiatives, such as the government proposals to end the sale of petrol/ diesel cars by 2030 and the London expansion of the ULEZ in 2021. Indeed, over the last year a greater than anticipated transition to ownership of lower emissions was observed, which alongside concerns over costs of living increases, meant that in 2021 Cabinet resolved not to proceed with the proposed introduction of new emission-based parking changes.

The delivery of EV charge points, whilst ahead of many London boroughs, falls below the number needed to meet anticipated future demand, and there are untapped opportunities to encourage businesses to add EV charging to replace standard private parking bays. The Council will develop an EV strategy in 2022 that will set out how it will support the delivery of the charging infrastructure necessary to support the projected transition to electric vehicles. This will be balanced with concerns about the sustainability of battery technology and the "whole life" emissions associated with electric vehicles and will ensure that a shift from cars to walking, cycling and public transport remains the priority of Merton's transport policies.

#### Greening Merton:

Merton already has a high % tree cover and strong commitments to ensure protection of parks and open spaces through the open space strategy, Local Plan and GLA policies. The Council's management of green spaces and streets is mainly focused on maintenance as opposed to an increase or enhancement of greenery in Merton. Tree planting is broadly consistent with the rate of planting needed to achieve a 10% increase in tree cover in line with the Mayor's target for London<sup>73</sup>; in part due to a long-standing partnership with the voluntary sector, particularly Merton's volunteer Tree Wardens,

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<sup>72</sup> Mayor of London, TfL Business Plan 2020/21 to 2024/25, available at: <https://content.tfl.gov.uk/tfl-business-plan-2019.pdf>.

<sup>73</sup> Mayor of London (2018) London Environment Strategy, available at: <https://www.london.gov.uk/what-we-do/environment/london-environment-strategy>.

who increase tree planting and support aftercare. However, this target will need to be reviewed once Merton’s Tree Strategy is drafted and the iTree survey complete. Merton’s Tree Strategy will help develop a more strategic and integrated approach to tree planting in Merton.

Further opportunities for tree planting in the public realm tend to be small and fragmented, making it challenging and not very cost effective for the Council to improve and maintain in isolation. The removal of funding for previous initiatives such as “Dig Merton” have resulted in spaces that were previously regenerated by volunteers to be neglected, despite potential to significantly increase community planting<sup>74</sup>. Opportunities to increase tree planting on private land are likely to be higher than in the public realm, but are much harder to initiate except where tree protection orders apply and where changes in land use impact on planning decisions.

Opportunities to increase vegetation through “grey to green”<sup>75</sup>, are currently unknown, but in 2021, Merton’s Climate Action Group secured some funding with Kingston University to map unutilised space in the borough to help better target it for planting. Community-led initiatives like Merton Garden Streets also have an important role to play in greening Merton.

The concept of natural capital brings together the potential benefits of using blue/green infrastructure<sup>76</sup> to reduce the impacts of hot weather and flooding through shade and sustainable drainage, improve resilience of biodiversity and capture carbon to offset emissions. All of these, to some extent, have been progressed, and further opportunities can be realised through the identification of suitable sites.

#### Council 2030 Target:

Reported emissions for Merton Council totalled 9 ktCO<sub>2</sub>eq in 2020, representing a 12% reduction compared to 2019, and a 19% reduction compared to the 2018 baseline. Estimated emissions for Merton Council are decreasing slightly faster than the pathway trajectory outlined in Merton’s Decarbonisation Pathways Modelling carried out in 2019/20<sup>77</sup>. This may in part be due to the Covid-19 pandemic, the long-term trends of which remain unclear.

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<sup>74</sup> 74% of respondents to the Climate Consultation survey 2019-20 indicated that they would be willing to plant a tree as part of a community planting effort.

<sup>75</sup> “Grey to green” means the replacement of areas of hard standing such as paving, with natural vegetation, including the removal of paving, natural sustainable drainage or flood management, the additional of green walls and roofs,

<sup>76</sup> Blue/Green Infrastructure: Comprises the network of parks, rivers, water covered spaces and green spaces, plus the elements of the built environment, such as street trees, green roofs, sustainable drainage systems, flood storage or water management corridors all of which provide a wide range of benefits and services.

<sup>77</sup> Aether (2022) London Borough of Merton Greenhouse Gas Inventory Report 2021, available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/climate-emergency>.

Emissions from electricity usage in Council operational buildings decreased between 2018 and 2020. This is in part due to the continual decarbonisation of the National Grid<sup>78</sup>, but also due to reduced electricity consumption reflecting a shift towards working from home. As a consequence of the pandemic, the Council is likely to implement hybrid working (a mix of working in the office and working from home) for LBM staff, which may sustain lower levels of energy consumption in Council operational buildings. However, staff engagement and training should highlight steps that individuals can take to save energy whilst working from home in order to reduce any emissions “outsourced” to staff homes. Council efforts to convert streetlights in Merton has also directly resulted in reduced emissions between 2018 and 2020.

However, gas consumption in school buildings increased in 2020. Based on anecdotal evidence, this is likely in response to the requirement of schools to increase ventilation rates to reduce the spread of Covid resulting in increased heating over the winter period.

Prior to Merton’s declaration of a Climate Emergency, through a 10 year “spend to save” investment programme, the Council had also already installed a number of energy saving measures and renewable technologies across its operational estate and community schools. This programme of measures helped reduce emissions from the Council and community schools but also makes the substantial shift to a net-zero carbon Council building stock harder to achieve because the most straight-forward and cost effective measures are already in place.

The availability of short-term grant funding has the potential to accelerate works, but the extremely challenging timescales mean that only low level works can be funded unless projects are “shovel ready” and can deliver within a ~6 month timeframe. This is particularly true for Community schools, which pose greater delivery challenges and for which the Council has less control. Supply chain issues resulting from Covid, Brexit and the increased availability of funding for retrofit projects, as well as the market volatility in energy costs resulting from the current energy crisis, are adding to the complexity of an already challenging funding landscape, and are expected to continue in the short term. Longer term impacts are currently unknown. The intense competition in the market for energy professionals may also affect the recruitment of qualified staff to progress the Council’s estate decarbonisation plans.

Covid has also radically changed patterns of travel for most staff. There was a reduction in Council fleet vehicle miles and mileage claims in 2020, likely resulting from a shift to working from home and moving some services online. The greater degree of home working will reduce emissions from travel, but it is not known the extent to which increased fuel consumption from home-working will offset this impact. The Council will continue to encourage a greater degree of active and sustainable travel. Demand for staff cycle parking and travel infrastructure will be reassessed once future staff travel patterns are better understood.

In terms of decarbonising Merton’s fleet, whilst the additional cost of electric vehicles may be compensated by the much lower fuel costs in cars and light goods vehicles, the business case to purchase heavy vehicles such as buses and refuse lorries is much more challenging both in terms of costs and an

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<sup>78</sup> By sourcing 100% of its electricity supply through a green electricity tariff, the Council has contributed to the decarbonisation of the electricity grid.

operational track record. A change will also require additional EV charging infrastructure at the Civic Centre, Garth Road and other sites, which will likely require energy infrastructure upgrades and additional funding. This will be informed by Merton's fleet decarbonisation strategy.

Reported emissions from Highway Works vehicles doubled in 2020 compared to 2019. This may have been due to the delivery of Merton's emergency transport response to COVID-19 to improve road safety, support social distancing and provide more space for walking and cycling. There were also likely more opportunities for increased roadworks with minimal disruption to the public, particularly during the initial lockdown period, when there were fewer vehicles on the road.

Emissions resulting from Merton's Pensions Fund are reducing. The Council will continue to move its pension's investments from fossil fuels to low carbon investments, whilst balancing the Fund's requirements to ensure investments deliver the expected returns to meet members' benefits and to keep the employers' contribution stable. The Council's updated procurement procedures will help understand and reduce emissions from future procured goods and services. Emissions from the Council's existing procurements are largely unknown apart from the key services identified in Section 2, and there is substantial scope to work with existing providers to reduce emissions.

## ANNEX 1: CLIMATE CHANGE WORK PROGRAMME

### Workstreams

Eight workstreams cover all areas where carbon emission reductions are required, but are designed to fit in with existing departmental structures and processes to make monitoring and oversight more efficient. The figure to the right shows how the eight workstreams map onto the key areas of Merton’s Climate Strategy and Action Plan.

The aims of each of the workstreams are summarised in the table below. Aims that “encourage” action show where the Council does not have direct control on emissions, but is seeking to influence or support others to reduce carbon emissions.

	GREEN ECONOMY	BUILDINGS/ ENERGY	TRANSPORT	GREENING MERTON
2050 BOROUGH TARGET	WS8: LBM procedure, Communication and outreach			
	<p><b>WS1: Sustainable consumption and low carbon economy</b></p> <p>Public consumption of goods and services in Merton, supply chains and investments from businesses operating in Merton, commercial and industrial waste collection and processing, Local Authority waste processing.</p>	<p><b>WS2: Retrofit of the residential and non-residential building stock</b></p> <p>Owned, occupied and Private rented residential and non-residential Social / Council non-operational buildings/ Buildings of emergency services and public health</p>	<p><b>WS4: Transport infrastructure and modal shift</b></p> <p>Vehicles registered in Merton, Vehicles from outside the borough driving into Merton, Public transport, Transport infrastructure</p>	<p><b>WS5: Green Infrastructure</b></p> <p>Green spaces on private land, Green spaces managed by organisations other than the Council, Green spaces managed by the Council, Public realm (e.g. street trees, sustainable</p>
		<p><b>WS3: Future new build and regeneration</b></p> <p>Major regeneration, Energy infrastructure, New buildings</p>		
2030 BOROUGH TARGET	<p><b>WS6: LBM Estate and fleet management</b></p> <p>Council owned Local Authority waste collection vehicles</p>			
	<p><b>WS 7: LBM Procurements and investments</b></p> <p>Services procured by LBM, Investments, Consumption in LBM</p>	<p><b>SW6: Street Lighting</b></p> <p>Community schools, Council owned operational buildings</p>	<p><b>SW4: Street Staff Travel</b></p> <p>Council owned vehicles</p>	

Summary of workstreams

Work stream	Key aims	Lead department
<p>Workstream 1:</p> <p>Sustainable consumption and low carbon economy</p>	<p>Encourage consumers to reduce their carbon footprint through the purchase of local and sustainable goods and services, preventing waste and reusing/ recycling where possible.</p> <p>Encourage businesses to provide local and sustainable products, minimise waste, reduce greenhouse gas emissions from supply chains and provide clear information to customers about sustainable products.</p> <p>Encourage businesses to foster low carbon practices from staff and corporate functions such as finances.</p> <p>Reduce emissions from the processing of Local Authority collected waste using the principles of a circular economy.</p>	<p>Environment and Regeneration</p>
<p>Workstream 2:</p> <p>Retrofit of homes, businesses and non-residential building stock</p>	<p>Encourage home owners and landlords to retrofit energy efficiency measures in existing homes and non-residential buildings across the borough.</p> <p>Encourage home owners and landlords to install locally produced renewable energy.</p> <p>Encourage residents and business to take up low carbon heating.</p>	<p>Environment and Regeneration</p> <p>Community and Housing</p>
<p>Workstream 3:</p> <p>Future new build and regeneration</p>	<p>Enable all new developments and LBM regenerated public spaces in Merton to be zero carbon capable without expensive retrofit by 2025.</p> <p>Ensure all new developments and LBM regenerated public spaces are designed to be adapted to the impacts of temperature change and support the major decarbonisation transitions in energy, transport and the economy.</p> <p>Ensure utility companies' energy infrastructure supports a transition to low carbon energy use in the borough.</p>	<p>Environment and Regeneration</p>
<p>Workstream 4:</p> <p>Transport infrastructure and modal shift</p>	<p>Encourage consumers to decrease the number of petrol and diesel vehicles.</p> <p>Encourage people living, working and studying in Merton to increase active and sustainable travel.</p> <p>Develop walking, cycling and electric vehicle infrastructure.</p> <p>Encourage government and TfL to accelerate the decarbonisation of public transport.</p> <p>Encourage sustainable and active travel amongst LBM staff.</p>	<p>Environment and Regeneration</p>

Workstream 5: Green infrastructure	Encourage additional planting on private land. Increase tree cover on appropriate public land (in keeping with the open space strategy). Deliver green infrastructure projects. Encourage increased public participation in community planting.	Environment and Regeneration
Workstream 6: LBM Estate and fleet management	Decarbonise LBM operational buildings by 2030. Decarbonise LBM Community schools by 2030. Decarbonise all council owned non-operational buildings by 2050. Encourage the decarbonisation of all Academies and Voluntary-aided schools by 2050. Ensure all Council-owned buildings are adapted to the impacts of temperature change and support the major decarbonisation transitions in energy, transport and the economy. Decarbonise LBM's owned fleet (including waste collection fleet) by 2030.	All Departments
Workstream 7: LBM Procurements and investments	Reduce greenhouse gas emissions associated with goods and services procured by LBM on behalf of Merton residents. Reduce greenhouse gas emissions associated with LBM investments such as pensions.	All Departments
Workstream 8: Communication, outreach and LBM corporate procedure	Ensure that LBM staff and Councillors understand how to consider climate change in their work areas and feel empowered to act. Ensure effective communication of climate messages reach all residents, businesses and organisations in Merton especially in the east of the borough. Ensure that residents, businesses and organisations feel empowered to act to reduce emissions and adapt to the impacts of climate change.	All Departments

### **Governance**

The Delivery Plan will be regularly reviewed by Cabinet and the Overview and Scrutiny Commission, who have responsibility for overseeing the delivery of Merton's Climate Strategy and Action Plan. The Sustainable Communities and Transport Partnership will form the main external stakeholder engagement and will be invited to review the plan on a regular basis.

**ANNEX 2 – FORMING A BASELINE ASSESSMENT FOR MERTON’S CLIMATE STRATEGY AND ACTION PLAN, AND DELIVERY PLAN**

Indicators for the overall delivery plan

There may not be a direct correlation between emission reductions and the success of the Delivery Plan, because the plan only covers actions undertaken by the Council; most of which are enabling and do not reduce emissions in themselves. The following indicators are being used/ developed to test progress against the wider aims set out in the Climate Strategy and Action Plan, considered on an annual basis.

- Public perception of the importance of taking action to tackle climate change, tested through the bi-annual survey.
- Public perception of Council leadership and commitment to the Climate Change agenda, tested through the bi-annual survey.
- Public feeling on engagement and empowerment to act on climate change issues; tested through the bi-annual survey (TBC).
- Staff perception of being engaged, empowered and equipped to help deliver the Council’s part in Merton’s Climate Strategy & Action Plan, tested through a staff climate survey.
- Spend on projects which deliver Merton’s Climate Strategy and Action Plan objectives (internal and external), gathered from finance leads on an annual basis.

Performance indicators for the workstreams

A set of indicators, set out in Merton’s Climate Strategy and Action Plan under “*Measuring Success*”, do not directly measure emissions but provide information about the rate of progress for important aspects of the plan. These provide more granular information relating to the speed

at which change is taking place within Merton, compared to monitoring greenhouse gas emissions alone. It does not directly indicate the Council’s performance, but may indicate where the Delivery Plan needs to be adapted to better support emissions reduction across the borough.

Indicators have been reviewed since the Year 1 Delivery Plan was published and updated to use more robust and accessible data sources. Additional indicators have also been added to better track progress against the 8 workstreams.

Progress against the workstreams

Individual actions within each workstream will be assigned a RAG rating based on the likelihood of achieving this action in the following year within the resources and timescales available to the Council. These are used to indicate where resource or other barriers may prevent action being completed on time.

RAG definitions for individual actions

Green	High likelihood that the action will be completed. The completion of the action will be to the depth and quality expected to fulfil its part in the workstream.
Amber	Likelihood that the action will not be completed to the depth and quality needed to fulfil its part in the workstream.
Red	High likelihood that the action will not be completed, or fall well short of the depth and quality needed to fulfil its part in the workstream.



Using the score of individual actions Climate Change officers have undertaken a risk assessment over all workstreams, identifying where the sum of the likely activity will fulfil the obligations set out in the Climate Strategy and Action Plan.

The table below shows how the RAG ratings have been defined for the workstreams overall.

RAG definitions for the workstreams

Green	Most council actions within this workstream are likely be sufficiently funded and progress well. The total of the actions within this workstream is sufficient for the Council to effectively reduce its own emissions in line with the net-zero target and/or support others to reduce emissions, consistent with meeting the obligations set out in Merton’s Climate Strategy and Action Plan.
Amber	Some or all actions within the workstream may not be progressed to their full extent, due to resource, policy or other barriers. This may result in the Council not reducing its own emissions in line with the net-zero targets, or not supporting others to reduce emissions, consistent with meeting the obligations set out in Merton’s Climate Strategy and Action Plan.
Red	It is highly likely that some or all actions within the workstream will not be progressed, due to resource, policy or other barriers. This is likely to result in the Council not reducing its own emissions in line with the net-zero targets, or not supporting others to reduce emissions, consistent with meeting the obligations set out in Merton’s Climate Strategy and Action Plan.

Greenhouse gas emissions

The main measure of progress towards the net-zero carbon targets will be through an annual estimate of greenhouse gas emissions in relation to the 2050 and 2030 targets. Greenhouse gas estimates rely on national datasets which may be 1-2 years old, so cannot give a strong real-time indication of emission reductions or show the impacts of specific local actions.

For the 2050 target, the data is collected by fuel source and can therefore be used to individually track progress against energy use in buildings, transport and land use. The scope of the greenhouse gas inventories does not include emissions from consumption at present so cannot be used to track progress towards a green economy.

For the 2030 target, emissions data is collected from operational buildings, streetlighting, council-owned and operated vehicles, and emissions associated with contracted work in relation to waste collection, the maintenance of green spaces and highway maintenance. It cannot be used to track emissions from investments, other procurements and staff travel. The intention is to include all emissions where the data is available.

Progress against Net-zero targets

Climate Change officers will undertake an assessment of the strengths, weaknesses, opportunities and threats for the 5 areas set out in Merton’s Climate Strategy and Action Plan. This includes action taken by the Council but also wider factors. This will lead to a “high, medium or low” judgement about the likelihood that Merton is on track to deliver its greenhouse gas emission targets.

### ANNEX 3 – IDENTIFICATION OF DELIVERY ACTIONS

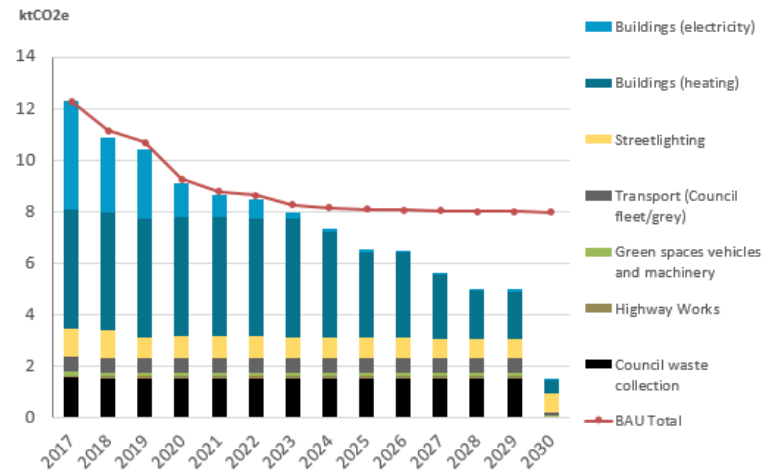
#### Use of evidence in identifying delivery actions

The London Borough of Merton Climate Action Support<sup>79</sup>, written by Aether, was commissioned to provide the main evidence and analysis that underpinned Merton’s Climate Strategy and Action Plan, and has been used to make informed judgements on how the Council might deliver its carbon reduction commitments. For emissions included in the Council’s greenhouse gas inventory, net-zero pathways inform the scale of emissions reduction needed, and the speed at which change is technically feasible.

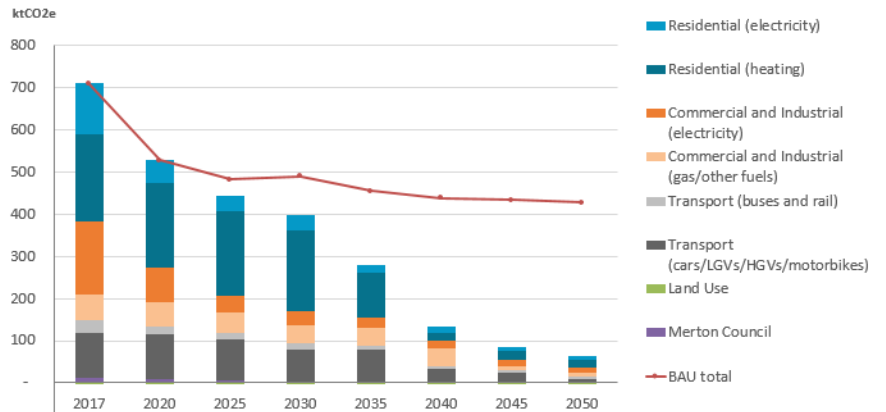
The Strategy includes areas that were not part of the net-zero pathway analysis for Merton, where impacts cannot be accurately estimated, but where a wider evidence base shows that it is important to address the impacts of climate change. For the 2050 targets, these include emissions that occur outside the borough, arising from economic activities such as the provision of goods and services within the borough (mainly in the “Green Economy” section). It also includes adapting to and preparing for the impacts of climate change, such as prolonged and more intense spells of hot weather or flooding (mainly in the “Greening Merton” and “Buildings and energy” sections). For the 2030 target, it relates to the carbon footprint of investments and some of the goods and services procured by the Council. In these cases, other evidence has been used to identify the necessary actions needed.

<sup>79</sup> London Borough of Merton Climate Action Support, Aether, June 2020. Available at: [https://www.merton.gov.uk/system/files?file=merton\\_support-climate-action\\_v3.1.pdf](https://www.merton.gov.uk/system/files?file=merton_support-climate-action_v3.1.pdf)

#### Net-Zero Carbon Pathway for the Council 2017-2030



#### Net-Zero Carbon Pathway for the Borough 2017-2050



Direct versus enabling actions

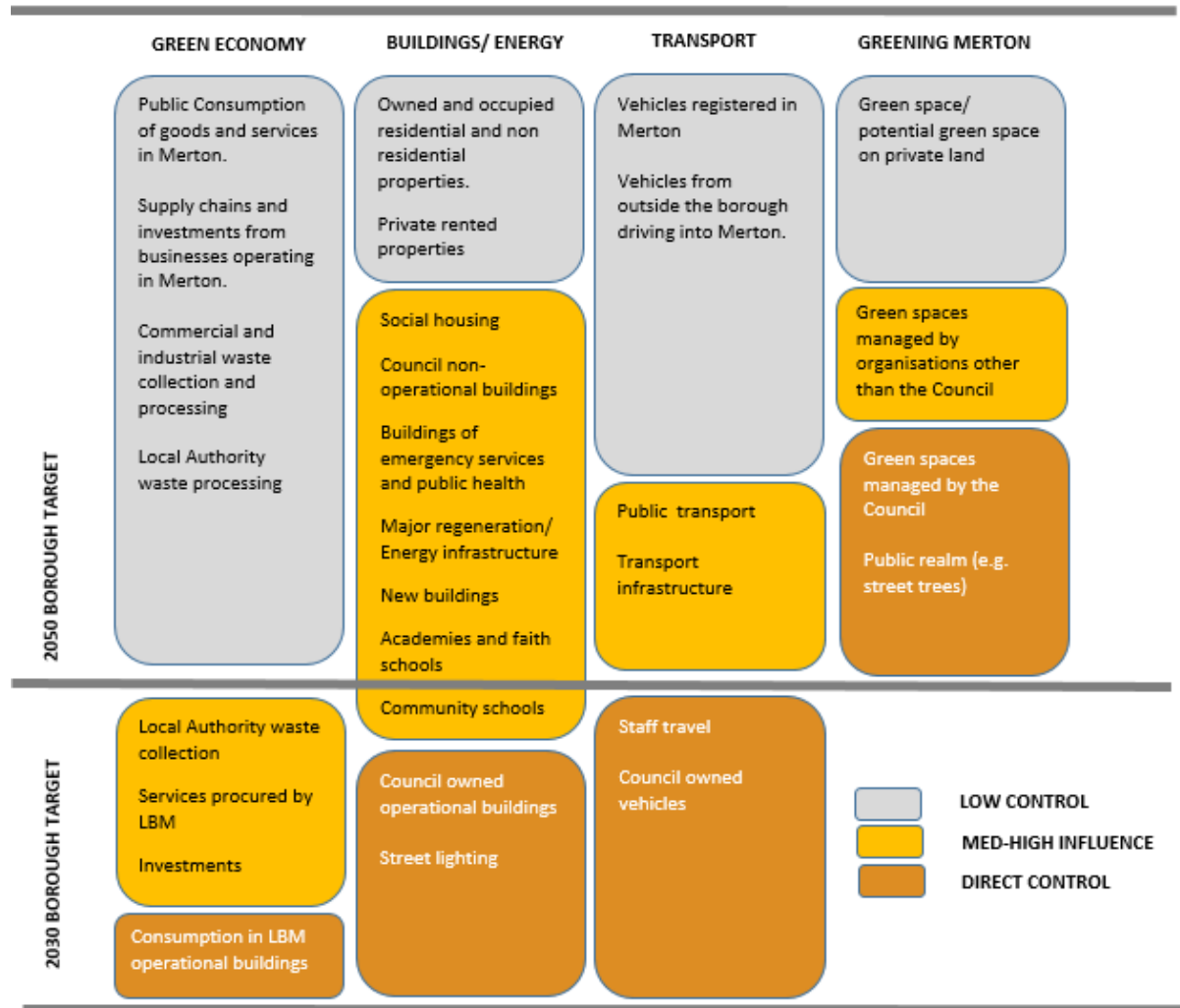
The figure on the right shows levels of Council control over areas of Merton’s Climate Strategy and Action Plan.

Where the Council has direct control over emission reduction, it is straightforward to identify actions in any given year through the modelling outputs. This only applies to a small proportion of the actions, mainly in the “Council 2030 target” section.

In some areas of the Strategy, action owners outside of the Council can be clearly identified (for example TfL, housing providers, etc.). In these cases, the Council is usually in a position to influence or to work collaboratively with stakeholders to reduce emissions.

Where emission reduction is in the hands of individuals, businesses or other organisations, Council control tends to be low. In these cases, enabling actions have been identified, but their impact is harder to measure.

This diagram gives an indication of where the Council has direct control, has medium to high influence, or has a low level of control.



### Other key considerations in determining annual priority actions

For some areas of the Council, greenhouse gas emissions reductions are a longstanding consideration and ongoing work is already consistent with reducing emissions. For others there are significant gaps in activity because the Council has not worked to reduce emissions in this area before, or not to the scale required to meet the obligations set out in Merton’s Climate Strategy and Action Plan. For the latter, actions are likely to be in the form of options appraisals or project development in early years of delivery.

The national policy framework, resources and funding available will have a major impact on the Council’s ability to undertake the actions needed, but are currently hard to predict. Where progress cannot be made due to resource constraints or other barriers, actions include lobbying central Government and seeking funding through external resources.

There are a number of Council activities with objectives that work hand-in-hand with climate change mitigation and adaptation. These include Merton – The Place, the Merton Community Plan 2020-26<sup>80</sup>, the Covid-19 Transport Strategy<sup>81</sup>, the Air Quality Action Plan and annual status reports<sup>82</sup>, the Local Plan<sup>83</sup> and the Health and Wellbeing Strategy 2019-2024<sup>84</sup>. The Climate Change work programme is not aiming to duplicate existing programmes, but to embed climate mitigation and adaptation within them.

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<sup>80</sup> Merton Community Plan 2020-26, LBM; available at <https://www.mertonpartnership.org.uk/community-plan>

<sup>81</sup> Merton’s Covid Transport Strategy available at <https://www.merton.gov.uk/streets-parking-transport/lip3>

<sup>82</sup> Merton’s Air Quality Plans and reports available at <https://www.merton.gov.uk/communities-and-neighbourhoods/pollution/air-quality-and-air-pollution/local-air-quality-management>

<sup>83</sup> Merton’s Local Plan (2021) available at <https://www.merton.gov.uk/planning-and-buildings/planning/local-plan/newlocalplan/local-plan-submission>

<sup>84</sup> Merton’s Health & Wellbeing Strategy 2019-24 available at <https://www.merton.gov.uk/healthy-living/publichealth/strategies>

**ANNEX 4 – PROGRESS AGAINST Y1 PRIORITY ACTIONS AND IDENTIFICATION OF Y2 PRIORITY ACTIONS**

Workstream 1: Sustainable consumption and low carbon economy

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
1	Develop and deliver messaging for the Council's climate comms strategy to promote sustainable consumption, waste reduction and low carbon behaviours	G	CS Comms E&R Future Merton	<p>Working with local comms partners, the Council ran a climate comms campaign<sup>85</sup> throughout 2021 to highlight steps that individuals and businesses can take to reduce their carbon footprint. Themes included food, business &amp; investments, greening, buildings &amp; energy, travel and waste</p> <p>The Council developed other climate comms for key events such as COP26, World Car Free Day, and London Circular Economy Week and to promote schemes like Solar Together.</p> <p>Comms channels include Merton's Climate Action Newsletter (now with &gt;3,800 recipients), MyMerton, the Council's social media channels, online events and in-person events, and wider promotion via partners comms channels.</p>	Develop and deliver a climate engagement and communications strategy to promote sustainable consumption, waste reduction and low carbon behaviours	G
2	Lobby for faster change in promoting a low carbon economy	G	E&R Future Merton	Throughout 2021 the Council engaged with a number of pan-London groups to lobby for faster change in promoting a low-carbon economy, including the London Environment Directors Network (LEDNet), London Council Climate Missions, the South London Partnership (SLP) Skills & Employment Working Group and the SLP Green New Deal Working Group.	Lobby for faster change in promoting a low carbon economy	G
3	Identify opportunities to embed a green recovery	G	E&R Future Merton	In 2021, Merton ran its largest public consultation, Your Merton, to understand local priorities and to identify a place-based vision for	Identify and implement opportunities to embed	G

<sup>85</sup> Further details can be found at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/make-your-climate-change-pledges>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
	in Merton's response to COVID-19			<p>Merton as part of the Covid-19 response and recovery. Sustainability and keeping people local were identified as local priorities; this will feed into recovery plans.</p> <p>The Council has engaged with London Councils' seven programmes on climate change<sup>86</sup> and the London Recovery Board's Green New Deal mission<sup>87</sup>. Through the SLP Green New Deal working group, the Council is working to identify and develop opportunities for collaboration towards a Green Recovery in the South London sub-region.</p> <p>The Council has also installed a range of sustainable infrastructure across the borough to prepare for a greener future. This includes 44 solar PV installations, over 200 EV charging points, 20 cycle hangars, 10 parklets, 11 Sustainable Urban Drainage Systems and air quality monitoring infrastructure. You can find out more about each of these on our Sustainable Infrastructure Story Map<sup>88</sup>.</p> <p>In January 2021, the Council launched Merton's Climate Action Group (MCAG) to foster climate action in the borough which has resulted in the development of several community-led projects which promote a green recovery from Covid-19 across the Green Economy, Buildings &amp; Energy, Transport and Greening Merton themes.</p>	a green recovery in Merton's response to COVID-19	
4	Identify low carbon skills gaps and	G	E&R Future Merton	The Council is working in partnership with the South London Partnership (SLP) to identify low carbon skills gaps and opportunities	Identify low carbon skills gaps and	G

<sup>86</sup> <https://www.londoncouncils.gov.uk/our-key-themes/environment/climate-change>

<sup>87</sup> <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/green-new-deal>

<sup>88</sup> Merton's Sustainable Infrastructure Story Map <https://storymaps.arcgis.com/stories/12050fded6c64aa7ad8317cf74526a9c>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
	opportunities for upskilling			<p>for upskilling in South London. In 2021, the SLP commissioned the Green Skills &amp; Jobs Report<sup>89</sup> which examines the potential scale and nature of green jobs across London in the coming decades. The next stage of the report, which focusses on London's sub regions and boroughs in more detail, is in development and is expected to be published in early 2022.</p> <p>Through the SLP Skills and Employment Working Group, Merton supports a number of training and employment programmes which have a role to play in developing low carbon skills in Merton. This includes the 'Work &amp; Health' programme which focusses on retraining local residents; 'No Wrong Doors' which coordinates skills, careers and employment support as part of the London Recovery; 'Restart' which aims to reskill people affected by Covid; and the Mayor's Construction Academy Hub for South London which is looking to support an expansion of green construction jobs. The SLP recently secured additional funding to support the development of green skills in construction in South London.</p> <p>Via the SLP, the Council helped launch the South London Knowledge Exchange Project to help facilitate research and innovation with businesses and educational institutions, which will help develop green skills in South London. A number of programmes are coming out of this with a focus on social value and procurement, supply chains, and developing the local economy.</p> <p>Merton's Towards Employment team has been working with partners to develop a number of local training programmes and employment</p>	opportunities for upskilling	

<sup>89</sup> Green Jobs and Skills Report (November 2021) <http://southlondonpartnership.co.uk/wp-content/uploads/2021/11/Green-Jobs-and-Skills-in-London-Final-Report.pdf>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<p>pathways to help develop green skills locally; these are due to launch in 2022.</p> <p>Increasing climate comms and engagement has also helped raise general climate awareness and green skills in Merton (e.g. climate comms campaign, anti-idling campaign, Merton Climate Action Group etc.). In 2021, we have been working with Merton's Climate Action Group (MCAG) to develop community-led climate action projects which provide opportunities for upskilling and skills sharing within the local community. The Council allocated Neighbourhood CIL funding for three MCAG projects this year which will help develop green skills in Merton: Merton Garden Streets (greening), Energy Matters (energy), and the Wheel (circular economy)<sup>90</sup>.</p> <p>The Council also supports other volunteer-led initiatives which help upskill local residents through the Neighbourhood Fund and Ward allocations (e.g. Sustainable Merton's Community Champions).</p> <p>Other Council-led projects such as the decarbonisation of the Council's estate, the Mayor's 'Low Emission Zone' for Non-Road Mobile Machinery, innovative low carbon pilots with contractors also provide opportunities for local upskilling.</p> <p>More work is required to address the significant skills gap and supply chain issues in delivering domestic retrofit. Next year, the Council will be recruiting additional capacity within the Council to lead on retrofit in the borough. This will involve developing a retrofit strategy which considers skills gaps and supply chain issues.</p>		

<sup>90</sup> NCIL 2021 allocations <https://democracy.merton.gov.uk/documents/s44181/Appendix%20A.pdf>



Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
5	Support local projects which promote sustainable consumption and a circular economy	G	E&R Future Merton E&R Waste Team E&R Regulatory Services	<p>In 2021, the Council has supported a number of projects which promote sustainable consumption and a circular economy; these include:</p> <p>In January 2021, the Council launched Merton's Climate Action Group (MCAG) to help foster community-led climate action including Green Economy initiatives. The Green Economy work stream of the MCAG has developed a project proposal for a local circular economy hub to support circular economy initiatives in Merton ('The Wheel'). In November 2021, this project was allocated funding through Merton's Neighbourhood Fund for delivery in 2022, along with two other MCAG proposals.</p> <p>The Council ran a Circular Economy workshop in June 2021 as part of the London Circular Economy Week to showcase local circular economy initiatives in Merton<sup>91</sup>.</p> <p>In partnership with Evian (sponsors), Hubbub, and Sustainable Merton, the Council piloted new on-street waste infrastructure in Wimbledon town centre during the Championships in 2021 to encourage residents and visitors to recycle on the go.</p> <p>The Council introduced the Business Innovation Growth (BIG) South London Knowledge Exchange programme. The programme development and plan for affordable workspace hubs has started. This has a focus on growing local business with sustainability and green initiatives as key objectives.</p>	Support local projects which promote sustainable consumption and a circular economy	G

<sup>91</sup> The webinar recording and slides are available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/green-economy>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<p>The Council is also supporting local projects like the Morden Library of Things, Merton's Community Fridge and Sustainable Merton's Community Champions through Merton's Neighbourhood Fund, which all help promote a circular economy and sustainable consumption.</p> <p>The Council has also rolled out water refill stations in collaboration with Thames Water (sites: Mitcham, Wimbledon, Raynes Park) to help reduce single use plastic.</p>		
6	Support mechanisms that promote low carbon practices in local businesses	G	E&R Future Merton	<p>Merton celebrated businesses through Merton's annual Best Business Awards and created a Climate Action award for 2020/21 to celebrate businesses who demonstrated mechanisms to reduce their carbon emissions.</p> <p>The Council's procurement processes encourage local businesses to consider their environmental impact as part of the Council's tender processes.</p> <p>The Council also introduced a new weekly business bulletin as a platform to share messaging and opportunities to promote change towards low carbon models.</p>	Support mechanisms that promote low carbon practices in local businesses	A
7	Review on-street waste infrastructure to promote recycling and minimise waste	G	E&R Waste	<p>In 2021, in partnership with Evian (sponsors), Hubbub and Sustainable Merton, the Council piloted new on-street waste infrastructure in Wimbledon town centre during the Championships to encourage residents and visitors to recycle on the go. Funding allowed 50 of the existing dual bins to be replaced. Waste audits before and after implementation show a marked increase in capture of the two recyclable materials collected in the recycling side of the bins (plastic bottles and cans). An additional 35 bins have been purchased (due to</p>	Continue roll-out of town centre dual stream waste bins to promote recycling and minimise waste	A

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				arrive in early 2022) to complete the upgrade of Wimbledon Town Centre dual bins.		
8	Maximise opportunities to promote low carbon behaviours, jobs and skills through the regeneration of Morden town centre.	A	E&R Future Merton	<p>Large-scale regeneration projects are complex and can take time to deliver. The regeneration of Morden town centre remains a great opportunity to embed low carbon behaviours, jobs and skills. The Council continues to explore opportunities to promote low carbon behaviours, jobs and skills.</p> <p>Small projects, such as the new pocket park at the Morden Baptist Church and the temporary parklet in Abbotsbury Road, were supported and delivered on this large town centre site which will be delivered in the medium to long-term.</p>	Continue to explore opportunities to promote low carbon behaviours, jobs and skills through the regeneration of Morden town centre	A
9	Baseline greenhouse gas emissions from the processing of Merton's local authority collected waste and consider opportunities to minimise these emissions	A	E&R Future Merton E&R Waste	The Council is working with Viridor (the Beddington ERF operators) and our partners in the South London Waste Partnership (SLWP) to baseline, monitor and reduce the carbon impact of our waste treatment activities. In June 2021, a Carbon Management Plan was published <sup>92</sup> which includes baseline emissions for the processing of local authority collected waste in Merton; these have been added to Merton's borough GHG inventory. Merton will continue to contribute to decarbonisation plans through the SLWP steering group.	Work with partners at the SLWP and Viridor to identify and deliver opportunities to reduce emissions from the processing of local authority collected waste in Merton.	A
10	Develop up to date policies in the South London Waste Plan to ensure the provision of sufficient local waste management facilities to	A	E&R Future Merton	The Council has made good progress towards the adoption of an up-to-date waste planning document which ensures that, along with its partner South London boroughs, it will have sufficient waste management capacity to enable the management of waste to be driven up the waste hierarchy and for the area to be net-self-sufficient for the next 15 years.	Adoption of the draft South London Waste Plan as a Local Plan document by all four partner boroughs.	G

<sup>92</sup> Available here: <https://moderngov.kingston.gov.uk/ieListDocuments.aspx?Cid=432&Mid=9275&Ver=4>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
	ensure net self-sufficiency and that waste can be treated as high up the waste hierarchy as possible.			The boroughs of Croydon, Kingston, Merton and Sutton have submitted the draft South London Waste Plan to the Secretary of State for an Examination in Public. Hearings were held in September 2021 and the boroughs will shortly be consulting on the proposed modifications, before proposing adoption in 2022.		
11	New Y2 action ->				Consider financial and other mechanisms to incentivise low carbon performance in local businesses, and to support the development of the local green economy.	R

Workstream 2: Retrofit of the residential and non-residential building stock

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
1	Lobby central Government to address the gap in funding and skills	G	E&R Future Merton	<p>The Council lobbies central Government through the GLA, London Councils and the London Environmental Directors Network (LEDNet). The Council has also responded to consultations on low carbon heat and has written directly to BEIS Heat Strategy and Heat Network Delivery Unit teams.</p> <p>The Council has fed-back to BEIS on current retrofit funding schemes via the South London Energy Efficiency Partnership, the GLA, and the Greater South East Energy Hub.</p> <p>Via the South London Partnership, the Council was also involved in the development of the Green Jobs and Skills in London report which examines the potential scale and nature of green jobs across London in the coming decades. Further reports will focus specifically on each of London's four sub-regions and London's boroughs, and will help inform further lobbying.</p>	Lobby central Government to address the gap in funding and skills	G
2	Develop and deliver messaging for climate comms strategy to encourage homeowners, landlords and tenants to retrofit their properties (including promotion of the Green Homes Grant)	G	CS Comms E&R Future Merton	<p>Merton's climate communications campaign focused on buildings and energy in April and October 2021 to encourage residents and business to carry out retrofit measures on their properties<sup>93</sup>.</p> <p>Due to the closure of the national Green Homes Grant Voucher Scheme and delays to the Green Homes Grant Local Authority Delivery scheme, which were beyond Merton's control, the Council has not been able to promote the Green Homes Grant schemes in 2021.</p>	Develop and deliver a retrofit engagement plan to encourage home and business owners, landlords and tenants to retrofit their properties.	G

<sup>93</sup> Further information available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/make-your-climate-change-pledges/buildings-and-energy>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<p>In February and March 2021, the Council promoted Phase 4 of the Mayor's Solar Together London programme to encourage homeowners to install solar PV and battery storage. Phase 5 of Solar Together London is due to launch in February 2022.</p> <p>The Council promoted events, campaigns, and resources developed by local partners such as Merton's Climate Action Group, Warm &amp; Well and Sustainable Merton which promote retrofit in Merton through social media and Merton's Climate Action Newsletter.</p> <p>In 2021, funding was secured to recruit a new Climate Engagement Officer to develop and deliver climate engagement and comms (recruitment underway), as well as two additional staff to promote borough-wide retrofit (from April 2022).</p>		
3	Explore options to overcome high up-front costs of low carbon measures on homes	A	E&R Future Merton	<p>Progress has been limited by reduced capacity within the Climate Change team. However, the Council has allocated funding to recruit two additional staff to lead on borough retrofit from April 2022 (subject to recruitment).</p> <p>The Council promoted phase 4 of the Mayor's Solar Together London scheme which makes solar PV and battery storage more affordable.</p> <p>The Council worked with partners to apply for national retrofit funding for fuel poor homes in Merton through the Green Homes Grant Local Authority Delivery Scheme, the Social Housing Decarbonisation Fund, and the Sustainable Warmth Competition.</p> <p>The Council is considering opportunities for collaboration with the South London Partnership boroughs to promote retrofit.</p>	Develop a strategy to retrofit housing and non-domestic buildings in Merton.	A

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
4	Support community action looking to drive retrofit	A	E&R Future Merton	<p>Throughout 2021, the Council has supported the Buildings &amp; Energy subgroup of Merton's Climate Action Group which focusses on engaging with residents to encourage the uptake of retrofit in Merton. Projects include showcasing low carbon homes in the borough and running energy advice cafes in schools to empower the younger generation with the knowledge to drive behaviour change around energy use. The latter project was allocated NCIL funding in November 2021.</p> <p>The Council has also supported and promoted other local partners looking to drive domestic retrofit such as Sustainable Merton.</p>	Support community action looking to drive retrofit	G
5	Support fuel poor households in accessing national funding	A	C&H Public Health E&R Future Merton	<p>Throughout 2021 the Council has worked with partners to apply for national retrofit funding for fuel poor homes in Merton through the Green Homes Grant (GHG) Local Authority Delivery (LAD) Scheme, the Social Housing Decarbonisation Fund, and the Sustainable Warmth Competition. Challenges outside the Council's control have delayed the delivery of LAD Phase 2 (LAD2). Nationally, the deadline for LAD1B has now been extended until March 2022. Referrals for eligible Merton households are being made and are now awaiting application evaluation and delivery. Merton Council are awaiting the outcome of Sustainable Warmth and Social Housing Decarbonisation Fund bids, with further delivery plans to be confirmed.</p>	Support fuel poor households in accessing national funding	R
6	Engage with social housing providers to drive domestic retrofit	G	E&R Future Merton	<p>In January 2021, the Council facilitated a workshop with social housing providers in Merton to get an overview of social housing decarbonisation plans in Merton, to understand the key obstacles and operational challenges to retrofitting the local social housing stock, and to consider opportunities for collaboration. Plan to host a similar workshop in early 2022 for housing providers to update on progress and share lessons learnt.</p>	Engage with social housing providers to drive domestic retrofit	A

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<p>The Council engaged with local housing providers to promote and offer support in accessing Green Homes Grant Local Authority Delivery funding and the Social Housing Decarbonisation Fund.</p> <p>The Council developed a bid to the Mayor's Future Neighbourhoods 2030 fund in partnership with Clarion and other local partners to secure funding to develop a low carbon and climate resilient neighbourhood in Mitcham. The bid was not successful due to high demand for the funding.</p> <p>The Council is engaging with social and private landlords to help them secure LAD funding to retrofit their homes. Due to delays to LAD2 which were outside the Council's control, delivery has not yet started.</p> <p>The Council has also facilitated engagement between Merton's Climate Action Group and local housing providers to support and inform community-led climate action projects.</p>		
7	Consider options to ensure that landlords meet energy efficiency requirements	R	C&H Housing Strategy E&R Future Merton	This action has not been progressed due to limited capacity. The Council has secured additional funding to take this forward in FY 22/23, and to increase capacity on borough-wide retrofit.	Consider options to ensure that landlords meet energy efficiency requirements	A
8	Incorporate net-zero targets into public health estates strategy	A	C&H Public Health E&R Future Merton	Merton's health and care estates strategy references Merton's Climate Strategy & Action Plan and has sustainability as one of its key goals.	N/A	N/A



Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
9	Engage with emergency services to encourage carbon reduction activities across their estate	A	C&H TB Identified	Due to other priorities for the emergency services in response to Covid-19 this action has not yet been progressed. Roll on for 2022.	Engage with emergency services to encourage carbon reduction activities across their estate	R

Workstream 3: Future new build and regeneration

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
1	Develop Climate Change policies in Merton's New Local Plan which are in keeping with Merton's 2050 target	A	E&R Future Merton	The Council has set ambitious Climate Change policies to ensure that from 2025 all new development is compatible with operating at net-zero carbon by 2050 without the need for expensive retrofit (i.e. does not burn fossil fuels, has ultra-high energy efficiency and is 100% powered by renewable energy). The new Merton Local Plan was submitted to the Secretary of State for an Examination in Public on 2 December 2021 <sup>94</sup> .	Examination in Public and, if successful, adoption of Merton's new Local Plan.	A
2	Secure a mechanism to ensure that all new Council regeneration/development schemes are low carbon and capable of operating at net-zero carbon by 2050 without expensive retrofit	A	E&R Future Merton	In early 2020, Merton Council decided not to proceed with direct delivery of housing via Merantun Development Co and the company has now ceased. The Council is no longer procuring housing directly but will work with partners to improve the efficiency of stock as well as ensuring that any other Council procured building projects (e.g. schools) will meet our climate ambitions.	NA	N/A
3	Secure low carbon development through the Morden town centre regeneration	A	E&R Future Merton	The Council continues to seek to secure the delivery of low carbon development within Morden town centre. The draft Local Plan has progressed and the policy wording, which was submitted to the Secretary of State for an Examination in Public in 2021, identifies the Morden Regeneration Zone within Morden town centre, as a district heat network opportunity area. Developers will therefore be required to explore the technical and financial viability of a potential decentralised energy network as part of the regeneration proposals for the site.	Continue to seek to secure low carbon development through the regeneration of Morden town centre.	A

<sup>94</sup> <https://www.merton.gov.uk/planning-and-buildings/planning/local-plan/newlocalplan/local-plan-submission>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
4	Lobby for faster change in the building and energy sector	G	E&R Future Merton	<p>The Council has engaged with a range of partners to lobby for faster change in the buildings and energy sector including the GLA, London Environmental Directors Network (LEDNet), the London Councils mission for Low Carbon Development, London boroughs, sub-regional partnerships via the SLP. This includes lobbying for faster change in national and regional planning policy, local planning policy and developing the green skills sector.</p> <p>The Council responded to the Future Homes Standard Consultation.</p> <p>The Council is also taking a proactive approach in lobbying for faster change by proposing ambitious Local Plan policies which go beyond national (Building Regulations) and regional standards (London Plan).</p>	Lobby for faster change in the building and energy sector	G
5	Seek funding to develop an Energy Masterplan	A	E&R Future Merton	The Council has allocated funding to develop an Energy Masterplan and Retrofit Strategy for the borough.	Develop an Energy Masterplan for the borough.	A

Workstream 4: Transport infrastructure and modal shift

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
1	Lobby for further funding to reduce car use and accelerate decarbonisation of public transport	G	E&R Transport	<p>Work has been completed at Merton Bus Garage to enable the charging of 17 electric buses operating on route 200 from Mitcham to Raynes Park. Step free access has been delivered at Wimbledon Park Station and approval has been secured to progress the delivery of step free access schemes at Tooting and Motspur Park Stations.</p> <p>However, funding for public transport services has fallen as a result of Covid, resulting in cuts to some public transport services and the future implications for public transport services are uncertain, which could impact on the delivery of a sustainable transport led recovery to Covid and the ability to achieve the long term reduction in car use necessary to achieve the 2050 target.</p>	Lobby for and work with partners to seek improvements to public transport services and infrastructure, including the decarbonisation of public transport and the provision of step free access at stations.	A
2	Implement Covid Transport Strategy	G	E&R Future Merton	<p>Merton successfully completed the delivery of an emergency Covid Strategy with funding from TFL and DFT Active Travel Fund<sup>95</sup>.</p> <p>Projects delivered that remain in place include:</p> <ul style="list-style-type: none"> <li>• Haydon's Bridge Cycle Lane</li> <li>• Merton High Street Cycle Lane (CS7 extension)</li> <li>• CS7 Cycle Superhighway upgrades by TFL including floating bus stops and lane protection.</li> <li>• Church Rd Mitcham cycle lane enhancements</li> <li>• London Road Mitcham cycle lane enhancements and bus lane extensions</li> <li>• Lingfield Rd cycle contraflow</li> <li>• Raleigh Gardens cycle lane protection</li> </ul>	Implement schemes as set out in LIP delivery plan for 22/23	R

<sup>95</sup> Further information is available at: <https://www.merton.gov.uk/streets-parking-transport/covid-19-transport-projects>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<ul style="list-style-type: none"> <li>• Plough Lane West - mandatory cycle lanes</li> <li>• 5 Low Traffic Neighbourhoods</li> <li>• 28 School Streets.</li> <li>• 20 Cycle Hangars</li> <li>• 20 School cycle shelters</li> </ul> <p>Merton Council also funded the segregated cycle lane project on London Rd and Bishopsford Rd Mitcham - complementing the opening of Mitcham Bridge.</p> <p>The emergency Covid transport strategy, funding and measures have now been completed and the intention from Year 2 onwards is that transport projects will return to being primarily delivered through TfL funding allocated via our Local Implementation Plan (LIP3) delivery plan, although considerable uncertainty remains around likely funding allocations for 2022.</p>		
3	Review short term funding priorities for LIP/ Local Plan policies	A	E&R Transport	Short term priorities were reviewed as part of the development of the interim LIP delivery programme for 22/23 that was developed to meet TfL's strategic transport priorities as well as Merton's local priorities. This approach will be continued for the development of a further delivery plan for the period 23/24-24/25. However, considerable uncertainty remains around likely funding allocations for LIP projects for the period 2022/23- 24/25.	Develop medium term LIP transport delivery programme for the 2 year period 23/24-24/25 and explore potential alternative funding sources for delivery of transport schemes.	A
4	Plan for long-term strategic approach to walking, cycling and EV charge points	A	E&R Transport	Preparatory work started following publication in 2021 of relevant Government and TfL guidance. The Council has allocated funding to develop a long term plan for walking, cycling and EV charging infrastructure.	Develop long-term strategies for walking, cycling and EV charging infrastructure.	G

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				EV strategy is in progress.		
5	Encourage dockless and electric vehicle hire schemes	A	E&R Transport	No progress in 2021 due to Covid and lack of staff resources.	Deliver active travel supporting infrastructure measures, including cycle parking and electric cycle hire schemes.	A
6	Ensure all new taxis are zero emission capable	G	E&R Transport	Action on taxi emissions is being led by TfL Action for Y2 to focus on EV charging infrastructure delivery on Merton streets.	Deliver electric vehicle charging infrastructure, including lamp column chargers in residential areas and to enable car club schemes to transition to electric.	A
7	Implement new emission-based parking charges.	A	E&R Parking	Emission Based Charging Consultation process was completed and findings presented to Cabinet for consideration. In October 2021 Cabinet took the decision not to proceed with Emission Based Charging <sup>96</sup> .	N/A	N/A
8	Implement Air Quality Action Plan and active travel initiatives	G	C&H Air Quality	The Air Quality Action Plan brings together the policies and actions that the Council can take to tackle Air Pollution in the borough, the plan covers over 70 measures and these are reported annually as part of the Council's Annual Status Report on air quality. This is a legal requirement as part of the air quality management framework.  <b>AQ Monitoring</b> - Monitoring network in the borough maintained and enhanced, particular effort was made to ensure that monitoring was	Implement Air Quality Action Plan and active travel initiatives	G

<sup>96</sup> Merton's Emissions Based Parking Charges Review (October 2021) available at: <https://democracy.merton.gov.uk/ieListDocuments.aspx?CId=146&MId=3975&Ver=4>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<p>undertaken and reported during lockdown to assess the impact on air quality of behaviour change. This has been reported in our 2021 Annual Status Report. Over 50 locations monitored as part of our established network and additional locations at key reception points including schools.</p> <p>Merton continues to support citizen science projects and provide training and resources including funding additional diffusion tubes and handheld monitors. A Community Volunteer Coordinator has been appointed from the Environmental Sub Group (ESG) to liaise with the Council and coordinate all community diffusion tube monitoring.</p> <p><b>InnOvate Project</b> - The Air Quality Team secured funding from the South London Partnership to rollout borough-wide air quality and traffic monitoring. This includes installing 68 Breathe London monitors and 68 Vivacity Transport monitors. This monitoring will provide real time information on travel and transport throughout the borough and how this interacts with air quality. It will allow for better policy and decision making that will cut across the Air Quality, Public Health and Climate Change agenda. This data can also be used for health messaging and transport behaviour change.</p> <p><b>Schools</b> - The Air Quality team continue to monitor air quality at a number of schools that are near areas of poor air quality or main roads. In addition some of these schools are subject to a formal air quality audit. This audit includes all aspects of air quality and climate change, including travel, heating, green planting and anti-idling. This audit will suggest the required mitigation where necessary. Breathe London &amp; Vivacity monitors have also been installed in schools streets within the borough to monitor travel and air quality.</p>		

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<p><b>Planning &amp; SPD</b> - This year Merton produced and consulted on a Supplementary Planning Document specifically relating to air quality, this document sets out what is expected of new development in the borough and these should contribute to tackling and mitigating air pollution. This includes imposing air quality neutral development and where possible air quality positive development.</p> <p><b>Anti-idling</b> - During the pandemic there was a halt on anti-idling events and efforts moved towards raising awareness. Recently Merton has started its anti-idling campaign and now hosts 1 event per month in key locations such as level crossings or schools. In addition Merton is part of the London-wide anti-idling project which is currently aimed at schools and raising awareness. Our Civil Enforcement Officers have also been trained and can intervene in anti-idling during their day to day work.</p> <p><b>Behavioural Insights project</b> - Funding awarded from Local Government Association: Behavioural Insights programme. This 12-month pilot project will investigate the most effective form of anti-idling messaging at level crossings. Project delivery was delayed due to Covid-19 restrictions and continues in 2022.</p> <p><b>Non-Road Mobile Machinery (Cleaner Construction for London)</b> - Merton's Air Quality Team is delivering the world's first Low Emission Zone for Construction on behalf of London boroughs and The Mayor of London. This grant funded project has been running throughout London since 2019 and is reshaping the type of equipment used on construction sites. It uses the Planning Agenda to ensure that construction plant is as clean as possible, and has seen significant</p>		



Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<p>compliance throughout London, as well as significant real world pollution reductions.</p> <p><b>Wimbledon Clean Air Village</b><sup>97</sup> - Delivery of a Clean Air Village in Wimbledon Town Centre 2020/21. The year-long project spanning 12 London boroughs and 4 Business Improvement Districts, aims to improve air quality in 16 different London ‘villages’, where both air pollution and population density levels are high. Project delivery was delayed until September 2020 due to COVID-19 restrictions. Final update to be reported in the 2021 Annual Status Report (ASR).</p> <p><b>Healthy Streets Everyday</b> - Funding awarded by the Mayor of London. Active dates 2019-2022. A project spanning 16 boroughs, which will deliver 250 car-free and pedestrianisation initiatives or events over three years. During 2020 Merton’s HSE Mayors Air Quality Fund (MAQF) funding was reallocated to delivering parklets and environmental study areas at three primary schools (Benedict Primary, St Marks &amp; Lonesome Primary School).</p> <p><b>Public Health Messaging</b> – Merton’s ambition is to lead on the health messaging around air quality and public health. We have been provided with seed funding to start to consider a new or refreshed scheme that can be adopted in London and other boroughs.</p>		
9	Support active travel projects	G	E&R Transport C&H Air Quality	<p>In 2021, Merton provided the following free programmes, offering an activity for all abilities and ages:</p> <p><b>Cycling</b> - In 2020/21, bearing in mind social restrictions, we cycle trained 268 adults and 777 school children. We also provided the Try</p>	Support active travel projects	A

<sup>97</sup> Further information is available at : <https://crossriverpartnership.org/projects/clean-air-villages-3/>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
			C&H Public Health	<p>Before You Buy cycle hire scheme and Dr Bike sessions on a monthly basis at town centres, and for Car Free Day Events.</p> <p><b>Health Walks</b> - Weekly health walks are available for all ages and abilities<sup>98</sup>. We also collaborate with health centres and doctor surgeries to promote our walks.</p> <p><b>Stars School Travel Plans</b> – Merton has 37 schools involved with a school travel plan. The Plan sets out how a school will promote safer, active and sustainable travel, with the main emphasis on reducing the number of journeys made by private vehicles. We support schools with road safety training and healthy lifestyle campaigns and active programmes such as Bike Week, Walk to School Week, Junior/Youth Travel Ambassador, etc.</p> <p><b>Safer Routes to School and Public Rights of Way</b> – Our programme maintains and repairs routes, making them safer and less hazardous for pedestrians and cyclists to use for school, work and leisure purposes.</p> <p>The Council also supported <b>Merton's Climate Action Group</b> (Transport sub-group) who have been involved in promoting a number of national initiatives locally to engage with residents and promote active travel and wider climate action in Merton. These have included Sustrans' Big Pedal, World Car Free Day and Cycle buddies.</p>		
10	Develop staff travel policies	A	E&R Transport	Covid has delayed the further development of permanent staff travel policies but has also resulted in a significant shift in staff travel		

<sup>98</sup> Further information is available at: [www.merton.gov.uk/walk4life](http://www.merton.gov.uk/walk4life)

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				behaviours, with a large increase in remote working and associated reduction in staff trips to site.  Action moved to WS 6 for Y2.		

Workstream 5: Green infrastructure

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
1	Develop a tree strategy	R	E&R Green Spaces	The Council has instructed (November 2021) an external consultant to work with Officers and Stakeholders to facilitate the preparation of a Tree Management Strategy for Council-Owned Trees. This will establish clear aims, policies, and an action plan to improve the management of Council owned tree assets – e.g. strategy for annual tree planting programme, adoption of risk-based approach to tree monitoring and the amalgamation of tree management systems to a unified system. The delivery of the strategy will be undertaken in two phases; the second phase (to commence in 2022/23) will concentrate on the management strategies for privately-owned trees, notably by establishing clear guidance for development control and other planning related matters, and a borough-wide iTree assessment to document Merton’s tree population.	Undertake the second phase of the tree strategy (concentrating on private trees, planning and Merton’s urban forest) and Merton’s iTree survey	G
2	Plant 260 trees on Streets/ Green spaces	G	E&R Green Spaces	In 2020/21 the service planted 328 trees. The annual tree planting programme for 2021/22 is currently being undertaken and the programme is currently on track to exceed the target.	Deliver the Urban Tree Challenge Fund (Round 3) and the Annual tree planting programme to plant 260 trees on streets/ green spaces.	G
3	Encourage greater participation in tree planting to achieve c540 trees planted on private land	A	E&R Future Merton E&R Green Spaces	The Greenspaces team has supported interest in tree planting. We are aware of tree planting activities and will provide technical advice and guidance on species selection and appropriate locations for tree planting.	Develop improved data capture and recording of 3 <sup>rd</sup> Party tree planting activities in Merton, and encourage greater participation in tree planting on private land.	A
4	Prevent net loss of trees on public land through the continued	A	E&R Green Spaces	The improvement of additional trees planted in 2020/21 underpins our commitment to secure improvements in tree numbers, preventing any loss of trees. In addition with any individual projects	Review and monitor tree removals, ensuring that annual tree planting	G

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
	tree replacement programme			that may require tree removal, the service is committed to ensure that local provision is made to ensure replacement trees are planted.	programmes exceed number of trees lost in Council-owned areas.	
5	Take opportunities to introduce sustainable drainage systems and "grey to green" projects	G	E&R Future Merton	Merton has implemented a number of successful SUDs interventions including rain gardens at The Chase, Wimbledon Hill and The Path. The latter being a grey to green solution.  There are other SUDs interventions being planned and designed for construction next financial year.	Take opportunities to introduce sustainable drainage systems and "grey to green" projects	G
6	Complete review of environment planning policies for the Local Plan	G	E&R Future Merton	The new Merton Local Plan has been submitted to the Secretary of State for an Examination in Public.  The policies include the following within the Green and Blue Infrastructure chapter; O15.1 Open space, green infrastructure and nature conservation, O15.2 Open space and green infrastructure, O15.3 Biodiversity and access to nature, O15.4 Protection of trees, O15.5 Urban Greening and O15.6 Wandle Valley Regional Park. These policies are supported by the Merton Green Infrastructure Study 2020 and include details on improving access to nature and open space, increasing urban greening and net biodiversity gain across the borough, through planning applications.	Examination in Public and, if successful, adoption of Merton's new Local Plan.	A
7	Lobby and partner for faster change in green spaces sector	G	E&R Future Merton E&R Green Spaces	The importance of parks and our greenspaces has been brought to the forefront through the pandemic. The service has remained engaged and vocal during the period with regional groups, securing additional funding for important green infrastructure.	Work with stakeholders and groups, locally, to improve engagement with Friend of Parks groups to raise awareness and to contribute to regional and national	A

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
					groups with a focus on funding and access.	

Workstream 6: LBM Estate and fleet management

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
1	Apply for grant funding and undertake decarbonisation works on operational buildings and community schools by September 2021	A	CS Facilities CSF Commissioning	Grant money of nearly £500,000 was secured through Phase 1 of the Public Sector Decarbonisation Scheme (PSDS), and a contractor appointed to deliver the works. However, rapidly increasing costs, beyond those allowed for in the original project plan, are being seen on equipment and materials. These cost increases are thought to relate to the exceedingly high demand for relevant equipment and expertise as well as to issues surrounding Brexit. This has necessitated the development of a revised scope of works in order to meet the grant funding criteria of £500 spent per tonne of CO2 saved. This is currently being considered by Salix.	Monitor and verify any PSDS installed decarbonisation works and identify lessons learnt from delivery.	R
2	Prepare decarbonisation projects for a potential 2022 round of grant funding	G	CS Facilities CSF Commissioning	<p>Given ongoing PSDS 1 works the Council does not have capacity to apply for, or manage additional grant funded works. No further external funding has been applied for to date, with officers concentrating on delivery of the PSDS Phase 1 works. Officers are monitoring grant funding schemes available. £30,000 of Neighbourhood CIL funding has been secured to install LED lighting at 3 community centres across the borough.</p> <p>The Council has also allocated funding to increase capacity to develop further projects and grant funding proposals. Officers hope to recruit a new member of staff to support the development of future schemes.</p> <p>A preliminary "Gateway 0" report is also being drafted exploring the possibility of recruiting a long term delivery partner for Climate Emergency works - it is hoped such a partner would greatly increase the Council's capacity to secure and implement grant funded works.</p>	Recruit additional staff to enable development of projects and grant funding proposals for the estate decarbonisation.	R

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
3	Form a strategy to decarbonise Merton's operational and non-operational building stock to meet net-zero targets	G	CS Facilities CSF Commissioning E&E Estates	<p>Work with Merton's Property and Asset management Board (PAMB) has been undertaken to agree a criteria for prioritising buildings. A preliminary "Gateway 0" report is also being drafted exploring the possibility of recruiting a long term delivery partner for Climate Emergency works. In particular the GLA's Retrofit Accelerator Workplaces (RAW) scheme is being reviewed.</p> <p>Should approval be granted, such a partner would greatly assist the development of the broad strategy for operational buildings.</p>	Seek approval to procure a long term delivery partner for estate decarbonisation works.	G
4	Implement a mechanism to ensure that new Council buildings are net capable of operating at net zero carbon by 2030 without significant retrofit.	R	Merton's Property & Asset Management Board	<p>The action owner has been identified as Merton's Property and Asset Management Board (PAMB).</p> <p>This action will be considered by PAMB in 2022 to ensure that Merton's net-zero carbon commitment is built into the specification in any commissioning or purchase of new Council buildings.</p>	Implement a mechanism to ensure that new Council buildings are capable of operating at net zero carbon by 2030 without significant retrofit.	A
5	Continue to source 100% green electricity tariff	G	CS Facilities	For the last two and a half years, the Council has sourced 100% of its electricity supply through a green electricity tariff.	Review the benefits of continuing to source 100% green electricity tariff and explore the possibility of implementing a Renewable Energy Power Purchase Agreement.	A
6	Consider business case for battery storage to improve performance of existing PV	G	CS Facilities	An in depth feasibility study has been produced by an independent consultant. This indicated that there was no viable financial payback arising from the installation of Battery Storage systems, and they would have to be considered on a purely carbon saving basis. The revised PSDS scope of works includes the installation of Battery	Review outcomes from any battery storage installations under PSDS and review payback	G



Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				Storage systems at three sites in Merton's portfolio, and the successful installation of these will provide "real life" data to inform future decisions on the viability of battery storage systems. The recent rise in energy costs on the wholesale market may also mean that there is now a financial case for battery storage, though this would need further investigation.	calculations in light of increasing cost of energy.	
7	Form a strategy to decarbonise the Council's vehicle fleet	G	E&R Commissioning	<p>Work has been carried out to investigate how the Council's vehicle fleet could be decarbonised. A draft roadmap has been developed and considers a phased installation of EV charging points which optimises costs and likely future fleet operations.</p> <p>A strategy will be developed in 2022 outlining the infrastructure required to support a decarbonised fleet. The strategy has not yet been developed due to limited capacity within the fleet management team, but the Council has allocated additional funding to recruit additional resource from April 2022 to progress this.</p> <p>Capital bids have been submitted for the replacement vehicles of both our internal and service provider fleet. The Council has allocated circa £12m in the draft capital programme for the decarbonisation of Merton's refuse collection fleet from 2025, and a further £6m for the decarbonisation of our internal fleet.</p>	Form a strategy to decarbonise the Council's vehicle fleet	A
8	Consider low carbon options for the next round of fleet replacement	G	E&R Commissioning	Strategy to be undertaken and presented to E&R DMT outlining the required infrastructure required to support a decarbonised fleet. The strategy has not yet been developed due to limited capacity within the fleet management team, but the Council has allocated additional funding to recruit additional resource from April 2022 to progress this.	Consider low carbon options for the next round of fleet replacement	G

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				Capital bids have been submitted for the replacement vehicles of both our internal and service provider fleet.		
9	Undertake initial work to consider electric charge points for LBM vehicle fleet	G	E&R Commissioning CS Facilities	The service is currently in the progress of an organisational restructure which will see the creation of a new Transport Manager who will be the lead officer for this work stream.	Undertake initial work to consider electric charge points for LBM vehicle fleet	G
10	Carry out improvements to Council-owned sites to encourage active and electrified travel by staff	R	E&R Transport CS Facilities	Covid has delayed the implementation of improvements to staff cycle parking and travel infrastructure in order that likely future staff travel patterns and demand could be reassessed.	Carry out improvements to Council-owned sites to encourage active and electrified travel by staff	A
11	Set up a staff-led action group to accelerate changes in culture and activities within all Council Departments	R	E&R Future Merton C&H Public Health	Merton's Green and Healthy Guardians group was set up as a joint project between the Public Health and Climate Change teams in 2020 to encourage staff-led climate action in the workplace. This was paused due to Covid and the resulting shift to working from home.  The role of this group will be reconsidered in early 2022, once the Council has recruited a new Climate Engagement Officer, in the context of feedback received from LBM staff through the staff climate survey in 2021.	Consider mechanisms to engage with various council teams and departments to identify opportunities for carbon reduction and specific training needs.	A
12	Continue streetlight LED replacement through standard maintenance.	A	E&R Highways	Since 2015, we have invested £2.5 million in LED streetlights across the borough. This means we now have converted 10,679 street lights (82% of our overall streetlights), saving 2,793,943 KWh in FY20-21 compared to FY16-17 street lighting related energy consumption.	Continue streetlight LED replacement through standard maintenance.	G
13	New Year 2 action - action moved from WS 4 to WS 6				Develop staff travel policies	A



Workstream 7: LBM Procurements and investments

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
1	Consider options to engage with service providers to reduce greenhouse gas emissions from existing contracts.	A	CS Procurement All Departments	<p>Work is ongoing with individual contract managers where appropriate and where capacity allows.</p> <p>For example, with our highways maintenance contractor (FM Conway), this summer we trialled a more sustainable warm mix asphalt on three residential streets in Merton as part of our carriageway resurfacing programme. The warm mix asphalt is laid at a reduced temperature compared to traditional hot mix asphalts, which cuts energy usage and reduces the associated carbon emissions by 15% without compromising on the life expectancy of the road surface.</p> <p>In recent years we have managed to halve the carbon impact of treating non-recyclable rubbish collected from households across Merton. Waste is now treated at the Beddington Energy Recovery Facility (ERF) instead of being sent to the Beddington landfill site (which is now closed). But around half a tonne of carbon is still produced for every tonne of waste we dispose of. We are working with Viridor (the Beddington ERF operators) and our partners in the South London Waste Partnership to baseline, monitor and reduce the carbon impact of our waste treatment activities. A Carbon Management Plan was published in June 2021<sup>99</sup>.</p> <p>The Council will continue to trial low carbon technologies in Merton’s contracts where appropriate, and seek to embed Merton’s climate commitments in, and better understand the scale of emissions from, other existing contracts.</p>	Engage with service providers to reduce greenhouse gas emissions from existing contracts.	A

<sup>99</sup> Further information is available in the Beddington Energy Recovery Facility & Residual Waste Contract 2019-2043 Carbon Management Plan, Baseline Year: 2019-2020, available at: <https://modern.gov.kingston.gov.uk/ieListDocuments.aspx?CId=432&MId=9275&Ver=4>.

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
2	Consider options to introduce new procurement policy and guidance to reduce greenhouse gas emissions from procured services	A	CS Procurement	<p>Merton's Contract Standing Orders<sup>100</sup> (CSOs) have recently been updated to require Responsible Officers to give due consideration to the Council's commitment to the Climate Emergency and how the Council can reduce its carbon footprint through the tenders that it lets (CSO 6.3.3). The updated CSOs also require officers to seek approval from Procurement Board when considering procuring any contract that has any carbon implications/impacts, irrespective of the value of the contract (CSO 10.9).</p> <p>Commercial Services' Gateway report templates all have an 'Environmental Consideration' section which is to be completed by the report author and which is reviewed by either the relevant Operational Procurement Group and/or Procurement Board thereby ensuring that consideration is given to the climate emergency for all contracts over £100k (or below £100k where a specific contract has any carbon implication/ impact).</p> <p>The Climate Emergency is touched on during the revised CSO training provided by Commercial Services and is mentioned in the updated Procurement Toolkit.</p> <p>The Council's Social Value Charter incorporates a mechanism for considering the impact of climate change mitigation for relevant contracts. The Charter is flexible and allows suppliers to suggest their own innovative ways of tackling climate change aside from the prescribed suggestions on the Charter itself.</p>	Implement new procurement policy and guidance to reduce greenhouse gas emissions from procured services.	A

<sup>100</sup> Further information is available at: <https://democracy.merton.gov.uk/documents/s40335/Revisions%207%20July%202021.pdf>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				As part of Merton's School Meals Catering Contract review in 2020/21, the Council reviewed the tender specification and evaluation process for this contract to ensure that the winning bidder offered a service with clear commitments around reducing greenhouse gas emissions, and to promote the delivery of more sustainable menu choices, with a greater emphasis on plant-based recipes. This contract review also involved the trial of Merton's new Social Value Measurement Charter which captures both environmental and wider social benefits, which is now being included in all procurements.		
3	Continue delivering responsible investment policy to decarbonise the Council's pension investments.	G	CS Investment	<p>The sustainable investment policy is already in place and emissions are being tracked. In 2018, we started to measure the carbon intensity of the Merton Pension Fund. Since then, we've moved 25% of the fund into low carbon investments, and we've used our shareholder power to pressure companies into more sustainable practices.</p> <p>The equity holdings have a Weighted Average Carbon Intensity ('WACI') of 87.4 tCO2/\$m Sales. This equates to a 57% reduction against the composite Fund benchmark (201.6). The Fund's WACI has reduced from c219 in 2018 to c87 tCO2/\$m sales in 2021.</p> <p>Total potential emissions are also significantly below the benchmark. More importantly though, the total potential emissions figure decreased considerably between 2020 and 2021. As of June this year our measurable carbon footprint was 30% lower than it was the year before.</p>	Continue delivering responsible investment policy to decarbonise the Council's pension investments.	G
4	Consider ways to positively invest in low	A	CS Investment	No progress to date but doesn't need to be in place until 2030.	Consider ways to positively invest in carbon	A

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
	carbon business that can deliver carbon offsets.				offset products and mechanisms should the Council not achieve its target by 2030.	

Workstream 8: Communication, outreach and LBM corporate procedure

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
1	Develop and implement a climate communications and engagement strategy	G	CS Comms E&R Future Merton	<p>Working with local comms partners, the Council ran a climate comms campaign throughout 2021<sup>101</sup> to highlight steps that individuals and businesses can take to reduce their carbon footprint. Themes included food, business &amp; investments, greening, buildings &amp; energy, travel and waste.</p> <p>The Council developed other climate comms for key events such as COP26, World Car Free Day, and London Circular Economy Week and to promote schemes like Solar Together.</p> <p>Comms channels included Merton's Climate Action Newsletter, MyMerton, the Council's social media channels, online events and in-person events, and wider promotion via partners' comms channels.</p> <p>The Council has allocated additional funding to recruit a new Climate Engagement Officer – recruitment underway at the time of writing.</p>	Develop and deliver a climate engagement and communications strategy	G

<sup>101</sup> Further information is available at: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change/make-your-climate-change-pledges>

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
2	Set up a Climate Action Group to support the delivery of the action plan	G	E&R Future Merton	<p>In January 2021, the Council set up Merton's Climate Action Group to support community-led climate action projects in Merton. In 2021, the Climate Action Group has developed the following projects/ proposals:</p> <ul style="list-style-type: none"> <li>- The Buildings &amp; Energy subgroup has developed a proposal (which was allocated funding from the Neighbourhood Fund in November 2021) to run energy training in 5 pilot schools in Merton to empower the younger generation with knowledge to drive behaviour change around energy use. This will also help tackle fuel poverty and build climate resilience. This subgroup is also working to showcase low carbon homes in the borough.</li> <li>- The Transport workstream has been involved in promoting a number of national initiatives locally to engage with residents and promote active travel and wider climate action in Merton. These have included Sustrans' Big Pedal, World Car Free Day and Cycle buddies.</li> <li>- One of the key successes of the Climate Action Group this year was the launch of the Merton Garden Streets initiative, a volunteer-led project delivered by local residents and businesses to make our streets greener. This initiative has been very well received by the local community with over 90 streets signing up to planting days over the summer, and feedback highlighted positive impacts for mental and physical wellbeing, developing a greater sense of community, as well as improving local air quality, biodiversity and climate resilience.</li> </ul>	Support the delivery of community-led climate action projects (incl. Merton's Climate Action Group)	A



Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				<p>- The Green Economy work stream has developed a proposal to develop a circular economy hub in Merton which secured funding from Merton's Neighbourhood Fund in November 2021.</p> <p>- The Group also helped Merton's Schools Improvement Team organise a Climate Action Conference for schools to highlight some of the steps that schools can take to reduce their carbon footprint and promote wider climate action in Merton.</p>		
3	Develop a mechanism to consider the impact of climate change mitigation and adaption in all policy, spend and procurement proposals	A	CS Procurement	<p>Commercial Services' Gateway report templates all have an 'Environmental Consideration' section which is to be completed by the report author and which is reviewed by either the relevant Operational Procurement Group and/or Procurement Board thereby ensuring that consideration is given to the climate emergency for all contracts over £100k (or below £100k where a specific contract has any carbon implication / impact).</p> <p>The Council's Social Value Charter incorporates a mechanism for considering the impact of climate change mitigation for relevant contracts.</p>	Implement mechanisms to consider the impact of climate change mitigation and adaption in all policy, spend and procurement proposals.	A
4	Consider options to develop carbon literacy in Council staff and Councillors	A	CS Learning & Development E&R Future Merton	<p>There has been limited capacity to progress this but the Climate Change and Learning &amp; Development teams have started considering climate training options for LBM staff. The intention is to develop e-learning modules on climate change as part of the roll out of a new staff training programme in 2022.</p> <p>The Council has also allocated additional funding to recruit a new Climate Engagement Officer who will lead on internal and external climate engagement, including climate training for LBM staff.</p>	Develop general carbon literacy training, and engage with council staff and councillors to identify any specific training needs and consider mechanisms for delivery.	A

Action No.	Priority Action in Y1	RAG	Team	Progress	Priority Action in Y2	RAG
				In November 2021, the Council ran a staff climate survey to better understand staff climate training needs – results indicated a range of training needs, from general carbon literacy to job-specific knowledge. Further work will be carried out in 2022 to consider mechanisms to engage with various council teams and councillors to identify opportunities for carbon reduction and specific training needs.		