

Merton Council

Cabinet Agenda

Membership

Councillors:

Ross Garrod (Chair)
Eleanor Stringer
Stephen Alambritis MBE
Billy Christie
Caroline Cooper-Marbiah
Brenda Fraser
Natasha Irons
Andrew Judge
Sally Kenny
Peter McCabe

Date: Monday 19 June 2023

Time: 7.15 pm

**Venue: Committee Rooms DE, 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 or telephone [020 8545 3357](tel:02085453357).

All Press contacts: communications@merton.gov.uk, 020 8545 3181

Cabinet Agenda

19 June 2023

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21	Budget 2024/25 and MTFS 2024-28	361 - 378
22	Exclusion of the public To RESOLVE that the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s).	
23	Restricted Appendix - Item 10 Borough of Sport	
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25	Restricted Appendix - Item 17 Award of the contract for provision of the Disabled Facilities Grant (DFG) Funded Disabled Adaptations Service	

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.

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Agenda Item 3

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

CABINET

17 MAY 2023

(9.01 pm - 9.07 pm)

PRESENT Councillors Councillor Ross Garrod (in the Chair), Councillor Eleanor Stringer, Councillor Stephen Alambritis, Councillor Billy Christie, Councillor Caroline Cooper-Marbiah, Councillor Brenda Fraser, Councillor Natasha Irons, Councillor Andrew Judge, Councillor Sally Kenny and Councillor Peter McCabe

ALSO PRESENT Lewis Addlington-Lee (Head of Leader's Office), Hannah Doody (Chief Executive) and Louise Round (Interim Executive Director of Innovation and Change), Dan Jones (Executive Director Environment, Civic Pride & Climate), Lucy Owen (Executive Director Housing and Sustainable Development), John Morgan (Executive Director Adult Social Care, Integrated Care and Public Health), Jane McSherry (Executive Director Children, Lifelong Learning and Families), Polly Cziok (Executive Director Innovation and Change), Lewis Addlington-Lee (Head of Leader's Office), Amy Dumitrescu (Democracy Services Manager) and Richard Seedhouse (Democratic Services Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

The Chair welcomed the new Executive Directors to the meeting.

No apologies were received.

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 20 March 2023 are agreed as an accurate record.

4 WASTE AND STREET CLEANSING COMMISSIONING: SPECIFICATION FOR WASTE & RECYCLING PROCUREMENT (Agenda Item 4)

The Cabinet Member for Local Environment, Greenspaces and Climate Change presented the report, thanking officers for their work. In response to questions from Cabinet Members, the Cabinet Member noted that the consultation had received over 2500 responses and the new specification included a number of proposed enhancements in response to this.

RESOLVED:

That Cabinet:

- A. Agreed the proposed enhancements to the waste and recycling service specification in order that the specification can be finalised for submission to the Greater London Assembly as required by the Greater London Authority Act 1999.
- B. Noted the estimated costs associated with each of the proposed enhancements and agree that final costs for the agreed enhancements be allowed for in the Council's Medium Term Financial Strategy from 2025/26.
- C. Noted the rationale and intended benefits of each of the proposed enhancements.
- D. Noted that the final version of the specification for submission to the Greater London Authority will be signed off by the Executive Director for Environment, Civic Pride and Climate in consultation with the Cabinet Member for Local Environment, Green Spaces and Climate.
- E. Noted the possible impacts on the collection service that will need to be accommodated due to government plans for the potential standardisation of recycling and waste collections across England, the application of Extended Producer Responsibility (EPR) for packaging and the adoption of a Deposit Return Scheme (DRS) nationally.
- F. Noted that proposed enhancements to the specification for the street cleansing service will be reported to Cabinet for decision at a later date

5 AWARD OF CONTRACT FOR SECURITY AND SUPPORT SERVICES (Agenda Item 5)

The Cabinet Member for Finance and Corporate Services presented the report, advising that the new contract had been procured for three years with the potential for a further year extension and brought the security contracts into a single contract. The Cabinet Member advised that all staff would be paid the London Living Wage.

RESOLVED:

1. That Cabinet awarded a new contract to Bidder C for the provision of security and support services covering Merton's Civic centre, Libraries, Vestry Hall and Canon's Old House together with mobile and ad hoc security services to other corporate buildings and Leisure services events for a period of three years (3) with a potential extension of up to 12 months. The contract value is set out in Exempt Appendix.
2. That Cabinet delegated the decision to award an extension of the awarded contract to the Executive Director of Innovation & Change in consultation with the Cabinet Member, for any period up to 12 months (1 year) in accordance with CSO 27

6 EXCLUSION OF THE PUBLIC (Agenda Item 6)

The meeting proceeded entirely in public and therefore this item was not required.

Committee: Cabinet

Date: 19 June 2023

Wards: All

Subject: Reference from the Electric Vehicle Charging Task Group

Lead member: Councillor Laxmi Attawar, Chair of the EV Task Group

Contact officer: Rosie Mckeever, Scrutiny Officer, 0208 545 4035

Recommendations:

-
1. That Cabinet considers the report and recommendations (attached in Appendix A) arising from the scrutiny review of Electrical Vehicle Charging in Merton.
 2. That Cabinet agrees to the implementation and inclusion of the recommendations through the Electric Vehicle Strategy due to be written by Future Merton working with the Cabinet Member for Transport.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- A. To present the scrutiny review report on Electric Vehicle Charging in Merton for endorsement and seek approval to implement the review recommendations through the Electric Vehicle Strategy.

2 DETAILS

- 2.1. This task group was established by the Council's Sustainable Communities Overview and Scrutiny Panel. Following suggestions received during the topic selection campaign, the Panel agreed to undertake a scrutiny review of Electric Vehicle Charging in Merton to consider how the Council can best support the rapid increase in electric vehicles across the borough, including the necessary infrastructure, such as electric charging points.
- 2.2. The recommendations of the review are set out in Appendix A.

3 ALTERNATIVE OPTIONS

- 3.1. The Sustainable Communities Overview and Scrutiny Panel can select topics for scrutiny review and for other scrutiny work as it sees fit, taking into account the views and suggestions from officers, partner organisations and the public.
- 3.2. Cabinet is constitutionally required to receive, consider, and respond to scrutiny recommendations within two months of receiving them at a meeting.
- 3.3. Cabinet is not, however, required to agree and implement recommendations from Overview and Scrutiny. Cabinet could agree to implement some, or none, of the recommendations made in the scrutiny review final report.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. In carrying out its review, the task group questioned senior council officers as well as hearing from other local authorities.

5 TIMETABLE

5.1. As the next meeting of the Sustainable Communities Panel takes place on 26 June 2023 (after Cabinet on 19 June), the report and background information was circulated via email for approval from the Sustainable Communities Chair and Panel Members.

5.2. The report was approved by the Panel via email in May 2023 where it was agreed to present the report to Cabinet

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. None for the purpose of this report. None for the purposes of this covering report. It is envisaged that the recommendations in the attached report will not have any major resource implications. However, any specific resource implications will be identified and presented to Cabinet prior to agreeing an action plan for implementing the report's recommendations.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. None for the purposes of this report. Scrutiny work involves consideration of the legal and statutory implications of the topic being scrutinised.

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 engaging with local partners in scrutiny reviews. Furthermore, the outcomes of reviews are intended to benefit all sections of the local community.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None for the purposes of this report. Scrutiny work involves consideration of the crime and disorder implications of the topic being scrutinised.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. There are no risk management and health and safety implications as a result of this report.

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

11.1. Appendix A – Recommendations

12 BACKGROUND PAPERS

None



London Borough of Merton

Recommendations arising from the scrutiny task group review of Electric Vehicle Charging.

Sustainable Communities Overview & Scrutiny Panel

Task group membership

Councillor Laxmi Attawar (Chair)
Councillor John Braithwaite
Councillor Caroline Charles
Councillor Daniel Holden
Councillor Stephen Mercer
Councillor Slawek Szczepanski
Councillor Matthew Willis

Scrutiny support:

Rosie Mckeever, Scrutiny Officer

Terms of reference

- To scrutinise the current electric vehicle charging performance
- To identify existing best practice in Merton and elsewhere that could inform the council's future approach to expanding its EV infrastructure. Include cables channels in pavements, hubs.
- To make recommendations that will help create an electric vehicle strategy for Merton.
- To propose credible short term quick wins that the Council can achieve – including by lobbying Government and TFL

List of task group's recommendations

The purpose of the below recommendations are to help shape the electric vehicle strategy for Merton.

Recommendation 1
The Council runs 15/20 trials across the borough to test the operation and benefits of cable channels and other home charging alternatives. For example, Gul-e and KERBO.
Recommendation 2
This Council will lobby the government for fairer VAT charging between the cost for home charging and on street charging for electric vehicles.
Recommendation 3
Range of charging types and speeds to be spread as evenly as possible throughout the borough.
Recommendation 4
Ensure all dedicated EV bays have appropriate and clear signs. These should include CPZ zone, the operational periods of the EV bay, whether parking in EV bays is only allowed if the vehicle is charging, etc. The borough needs consistent signs to inform drivers.
Recommendation 5
This Council should lead by example and have EV charging points in their car parks and encourage the provision and installation of charge points in council premises, community centres, libraries, and schools. The Council should seek all available Government grants to maximise their potential in achieving the above.
Recommendation 6
Procurement policies should insist fleets are electric where possible and if not available then alternative sustainable power should be required.
Recommendation 7
Cabinet reviews its policy on street decluttering to include such things as electric vehicle chargers and cables on public footpaths, ensuring public safety and accessibility.
Recommendation 8
After the successful roll out of lamp column chargers, the Council needs to focus its energy on rapid charge points, on a par with other neighbouring boroughs, such as Wandsworth, by 2026.
Recommendation 9
Given the increasing proportion of electric cars, undertake a review of parking and permit charges for electric vehicles in 2026.
Recommendation 10
Strongly encourage all Housing Associations to maximise their provision of electric vehicle charging for residents.

The Cabinet Member to immediately write to all Housing Associations to ask for their current proposals.

The Council will support Housing Associations in their applications for Government grants.

Recommendation 11

If the Council rolls out a Cable Channel charging scheme (i.e., Gul-e) across the borough, the EV Task Group strongly recommends that an ownership model by the Highway Authority is chosen. This will mean the Highway Authority commissions the installation, provides maintenance, and either licences or otherwise permits use by the resident and may recoup costs from the user as such.

Consideration should also be given to insurance requirements being included within the strategy. For example, should residents take out appropriate insurance, to cover for any claims from members of the public, for accidents that might be caused because of an installed 'cable channel'.

Recommendation 12

Dedicated EV charging units to be sympathetic to environment (e.g. black or green colour rather than white) to better blend into the environment/streetscape.

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Committee: Cabinet

Date: 19 June 2023

Wards: All

Subject: Reference from the Sustainable Communities Overview and Scrutiny Panel – School Streets

Lead officer: Rosie Mckeever, Scrutiny Officer

Lead member: Councillor Stuart Neaverson, Chair of the Sustainable Communities Overview and Scrutiny Panel

Contact officer: Rosie Mckeever, Scrutiny Officer, 0208 545 4035

Recommendations:

1. The Sustainable Communities Overview and Scrutiny Panel requests that Cabinet note its reference set out in paragraph 2.6 to 2.8 below.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. At the September 1st 2022 meeting of the Sustainable Communities Overview and Scrutiny Panel, members received a presentation on lessons learned from implementing school streets. The Head of Future Merton and the Cabinet Member for Transport answered questions and provided further detail where needed.

2 DETAILS

2.1. Scrutiny process

- 2.2. The Panel received an overview on how school streets were delivered including its benefits; objectives; impact and financial implications. Panel members were also asked to put forward suggestions for locations of future sites.

- 2.3. The Panel would like the council could implement some distinguishing features, so residents are aware it is a school street.

- 2.4. Following

2.5. Scrutiny response

- 2.6. The Panel RESOLVED (all ten members voted in favour) to send the following recommendations to Cabinet
- 2.7. The Council explore the possibility for planters and particular features that make it clear it is a school street.
- 2.8. Cabinet to review the communication to residents regarding school street zones including term times dates.

3 ALTERNATIVE OPTIONS

- 3.1. None – Cabinet is required under the council's constitution to receive, consider and respond to references from overview and scrutiny.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. None for the purpose of this report.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

5.1. None for the purpose of this report.

6 LEGAL AND STATUTORY IMPLICATIONS

6.1. Cabinet is required under the council's constitution to receive, consider and respond to references from overview and scrutiny. The Local Government and Public Involvement in Health Act 2007 requires Cabinet to respond to reports and recommendations made by scrutiny committees within two months of written notice being given.

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

7.1. There are no human rights, equalities and community cohesion implications as a result of this report.

8 CRIME AND DISORDER IMPLICATIONS

8.1. These are no crime and disorder implications as a result of this report.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

9.1. There are no risk management and health and safety implications as a result of this report.

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

- None

11 BACKGROUND PAPERS

None

Committee: Cabinet

Date: 19 June 2023

Wards: All

Subject: Reference from the Sustainable Communities Overview and Scrutiny Panel – Active travel and cycling Infrastructure

Lead officer: Rosie Mckeever, Scrutiny Officer

Lead member: Councillor Stuart Neaverson, Chair of the Sustainable Communities Overview and Scrutiny Panel

Contact officer: Rosie Mckeever, Scrutiny Officer, 0208 545 4035

Recommendations:

1. The Sustainable Communities Overview and Scrutiny Panel requests that Cabinet respond to its reference set out in paragraph 2.6 to 2.7 below.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. During the 1st September 2022 meeting of the Sustainable Communities Overview and Scrutiny Panel, members received a presentation on active travel and cycling infrastructure. The Head of Future Merton and the Cabinet Member for Transport responded to questions and provided further detail where needed. A member of Merton Transport Group also attended to address the Panel.

2 DETAILS

2.1. Scrutiny process

- 2.2. The Presentation set out an overview of the existing cycling and active travel policy as well as provided Members with an opportunity to provide comments which could feed into the planned Climate Change Strategy and Action Plan, which has set out a commitment to developing a Cycling Strategy by 2023.

- 2.3. The Panel were concerned about the existing cycling infrastructure and would like this area of work to be prioritised.

2.4. Scrutiny response

- 2.5. The Panel RESOLVED (all ten members voted in favour) to send the following recommendations to Cabinet

- 2.6. This panel requests Cabinet looks at resourcing for and prioritise the walking and cycling master plan.

- 2.7. Recommend to Cabinet that they examine any potential quick wins that are already identified and still relevant.

3 ALTERNATIVE OPTIONS

- 3.1. None – Cabinet is required under the council’s constitution to receive, consider and respond to references from overview and scrutiny.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None for the purpose of this report.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 5.1. None for the purpose of this report.

6 LEGAL AND STATUTORY IMPLICATIONS

- 6.1. Cabinet is required under the council’s constitution to receive, consider and respond to references from overview and scrutiny. The Local Government and Public Involvement in Health Act 2007 requires Cabinet to respond to reports and recommendations made by scrutiny committees within two months of written notice being given.

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 7.1. There are no human rights, equalities and community cohesion implications as a result of this report.

8 CRIME AND DISORDER IMPLICATIONS

- 8.1. These are no crime and disorder implications as a result of this report.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 9.1. There are no risk management and health and safety implications as a result of this report.

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

- None

11 BACKGROUND PAPERS

None

Committee: Cabinet

Date: 19 June 2023

Wards: All

Subject: Reference from the Sustainable Communities Overview and Scrutiny Panel – Call in for Brickfield Road Travellers site

Lead officer: Rosie Mckeever, Scrutiny Officer

Lead member: Councillor Stuart Neaverson, Chair of the Sustainable Communities Overview and Scrutiny Panel

Contact officer: Rosie Mckeever, Scrutiny Officer, 0208 545 4035

Recommendations:

1. The Sustainable Communities Overview and Scrutiny Panel requests that Cabinet note its reference set out in paragraph 2.11 below.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. During the 8 March 2023 meeting of the Sustainable Communities Overview and Scrutiny Panel, Members were asked to consider the call-in relating to the licence fee for the Brickfield Road traveller's site.
- 1.2. Brickfield Road is a traveller site in Wimbledon Park ward, over which the council retain ownership, but it is managed by Clarion who charge a license fee to the occupants of the site.
- 1.3. The management agreement states that Clarion will make a recommendation for the licence, which must be reasonable, and that the Council will review annually.
- 1.4. A 7% increase was accepted by the Council.

2 DETAILS

2.1. Scrutiny process

- 2.2. The Panel welcomed Councillor Macarthur to the meeting, alongside the Director of Adult Social Care, Integrated Care & Public Health and the Cabinet Member for Housing and Sustainable Development.
- 2.3. The reasons for the call-in were outlined by Councillor Macarthur – the belief that two principles of decision making had not been applied. Those principles were a respect for human rights inequalities, and a consideration and evaluation of alternatives.
- 2.4. Councillor Macarthur also raised concerns as to whether correct management of the site is being upheld, considering there is a chronic rat infestation, failure to maintain running water to every pitch and disconnected firefighting equipment.

- 2.5. Panel Members asked detailed questions of the Housing Officers, Director of Adult Social Care, Integrated Care & Public Health and the Cabinet Member for Housing and Sustainable Development.
- 2.6. Members heard that with regards to the query over a lack of an Equality Impact Assessment, the Council originally utilised the national one completed by Government. However, the Council have now subsequently developed our own EIA.
- 2.7. Members were reassured to hear that in the last five years, since the records have been monitored, there have been no concerns or issues reported of any traveller having had problems with paying the rent. If any reports were to be made, there are systems in place to help. For example, Clarion has a specialist team that can go out and assist people to apply for benefits to maximise their incomes.
- 2.8. The Chair moved to a vote on whether the Panel wish to refer the decision back to the Executive Director of Adult Social Care, Integrated Care & Public Health for reconsideration, setting out the nature of the Panel's concerns. There were 3 votes in favour, 6 Against, and 1 abstention.
- 2.9. **Scrutiny response**
- 2.10. Whilst the Panel voted not to refer the matter back to the Director or Cabinet Member for reconsideration, they did RESOLVE to send the following recommendation to Cabinet.
- 2.11. "This Panel recommends that the Director of Adult Social Care, Integrated Care and Public Health and the Cabinet Member for Housing and Sustainable Development arrange for inspection of the Brickfield Road site, to explore the issues raised by the Councillors who submitted the call-in"
- 2.12. This was seconded with all 10 Panel members voting in favour.
- 3 ALTERNATIVE OPTIONS**
- 3.1. None – Cabinet is required under the council's constitution to receive, consider and respond to references from overview and scrutiny.
- 4 CONSULTATION UNDERTAKEN OR PROPOSED**
- 4.1. None for the purpose of this report.
- 5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**
- 5.1. None for the purpose of this report.
- 6 LEGAL AND STATUTORY IMPLICATIONS**
- 6.1. Cabinet is required under the council's constitution to receive, consider and respond to references from overview and scrutiny. The Local Government and Public Involvement in Health Act 2007 requires Cabinet to respond to reports and recommendations made by scrutiny committees within two months of written notice being given.
- 7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**
- 7.1. There are no human rights, equalities and community cohesion implications as a result of this report.

8 CRIME AND DISORDER IMPLICATIONS

8.1. These are no crime and disorder implications as a result of this report.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

9.1. There are no risk management and health and safety implications as a result of this report.

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

- None

11 BACKGROUND PAPERS

None

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Committee: Cabinet

Date: 19 June 2023

Wards: All

Subject: Reference from the Sustainable Communities Overview and Scrutiny Panel – Development Control Performance

Lead officer: Rosie Mckeever, Scrutiny Officer

Lead member: Councillor Stuart Neaverson, Chair of the Sustainable Communities Overview and Scrutiny Panel

Contact officer: Rosie Mckeever, Scrutiny Officer, 0208 545 4035

Recommendations:

1. The Sustainable Communities Overview and Scrutiny Panel requests that Cabinet respond to its reference set out in paragraph 2.6 to 2.8 below.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. During the 23rd February 2023 meeting of the Sustainable Communities Overview and Scrutiny Panel, The Chair of the Planning Committee Councillor Aidan Mundy presented a paper outlining the provisions within the Levelling Up and Regeneration Bill to standardise planning data and software, this will have direct implications for Merton.

2 DETAILS

2.1. Scrutiny process

- 2.2. The Chair of the Planning Committee reported that the data and software standards planning authorities must comply with are shortly due to be updated. The Levelling Up and Regeneration Bill (19 December 2022 version) Chapter 1 section 81 will put a duty on Merton Council to only use approved planning data software systems. The bill is in the Lords Committee stage in Parliament.

- 2.3. The current planning applications software is unlikely to be compliant with the requirements of the Levelling Up Bill. The system will require replacement.

2.4. Scrutiny response

- 2.5. The Panel RESOLVED (all ten members voted in favour) to send the following recommendations to Cabinet:

- 2.6. An officer taskforce is established to:

1. Scope opportunities to maximise and optimise current development control software. This would include opportunities to improve data quality.
2. Subject to available resource, and increasing returns to scale, implement improvement opportunities identified that support system migration.
3. Scope the resource and processes required to stand up a programme of work to:
 - Replace the current development control software.

- Iterating processes to improve efficiency and software utilisation following migration.

2.7 Both with the aim of being compliant with the regulations following the Royal Assent of the Levelling up and Regeneration Bill.

2.8 The Panel also ask that the findings from the task group be brought back to the scrutiny in due course.

3 ALTERNATIVE OPTIONS

3.1. None – Cabinet is required under the council’s constitution to receive, consider and respond to references from overview and scrutiny.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. None for the purpose of this report.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

5.1. None for the purpose of this report.

6 LEGAL AND STATUTORY IMPLICATIONS

6.1. Cabinet is required under the council’s constitution to receive, consider and respond to references from overview and scrutiny. The Local Government and Public Involvement in Health Act 2007 requires Cabinet to respond to reports and recommendations made by scrutiny committees within two months of written notice being given.

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

7.1. There are no human rights, equalities and community cohesion implications as a result of this report.

8 CRIME AND DISORDER IMPLICATIONS

8.1. These are no crime and disorder implications as a result of this report.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

9.1. There are no risk management and health and safety implications as a result of this report.

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

- None

11 BACKGROUND PAPERS

None

Committee: Cabinet

Date: 19 June 2023

Wards: All

Subject: Reference from the Sustainable Communities Overview and Scrutiny Panel – Homelessness in Merton

Lead officer: Rosie Mckeever, Scrutiny Officer

Lead member: Councillor Stuart Neaverson, Chair of the Sustainable Communities Overview and Scrutiny Panel

Contact officer: Rosie Mckeever, Scrutiny Officer, 0208 545 4035

Recommendations:

1. The Sustainable Communities Overview and Scrutiny Panel requests that Cabinet respond to its reference set out in paragraph 2.6 to 2.7 below.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. During the 23rd February 2023 meeting of the Sustainable Communities Overview and Scrutiny Panel, members received a presentation on homelessness prevention. The Head of Housing Strategy and the Cabinet Member for Housing and Sustainable Development responded to questions and provided further detail where needed.

2 DETAILS

2.1. Scrutiny process

- 2.2. The Head of Housing Strategy gave an overview of the work being undertaken to reduce homelessness in the borough.
- 2.3. The Panel were concerned about the rise in people seeking temporary accommodation and welcomed attempts to increase availability of housing.

2.4. Scrutiny response

- 2.5. The Panel RESOLVED (all ten members voted in favour) to send the following recommendations to Cabinet
- 2.6. This panel recommends supporting the council's plans to increase the amount of temporary accommodation through schemes such as the Empty Houses scheme which is coming forward.
- 2.7. The Panel recommends that the council do everything within its power to house people in Merton as a top priority and as close as possible to the borough. Also, to increase the procurement of accommodation through empty homes and Capital Letters.

3 ALTERNATIVE OPTIONS

- 3.1. None – Cabinet is required under the council’s constitution to receive, consider and respond to references from overview and scrutiny.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None for the purpose of this report.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 5.1. None for the purpose of this report.

6 LEGAL AND STATUTORY IMPLICATIONS

- 6.1. Cabinet is required under the council’s constitution to receive, consider and respond to references from overview and scrutiny. The Local Government and Public Involvement in Health Act 2007 requires Cabinet to respond to reports and recommendations made by scrutiny committees within two months of written notice being given.

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 7.1. There are no human rights, equalities and community cohesion implications as a result of this report.

8 CRIME AND DISORDER IMPLICATIONS

- 8.1. These are no crime and disorder implications as a result of this report.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 9.1. There are no risk management and health and safety implications as a result of this report.

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

- None

11 BACKGROUND PAPERS

None

Committee: Cabinet

Date: 19 June 2023

Wards: All

Subject: Borough of Sport

Lead Director: Dan Jones, Executive Director Environment, Civic Pride & Climate

Lead member: Cllr Caroline Cooper Marbiah, Cabinet Member for Sport and Heritage

Contact officer: Mike Diaper and David Gentles (Borough of Sport Consultants)

Part 4b Section 10 of the constitution applies in respect of information within appendixes 1 and 2 and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the Exempt appendix.

Recommendations:

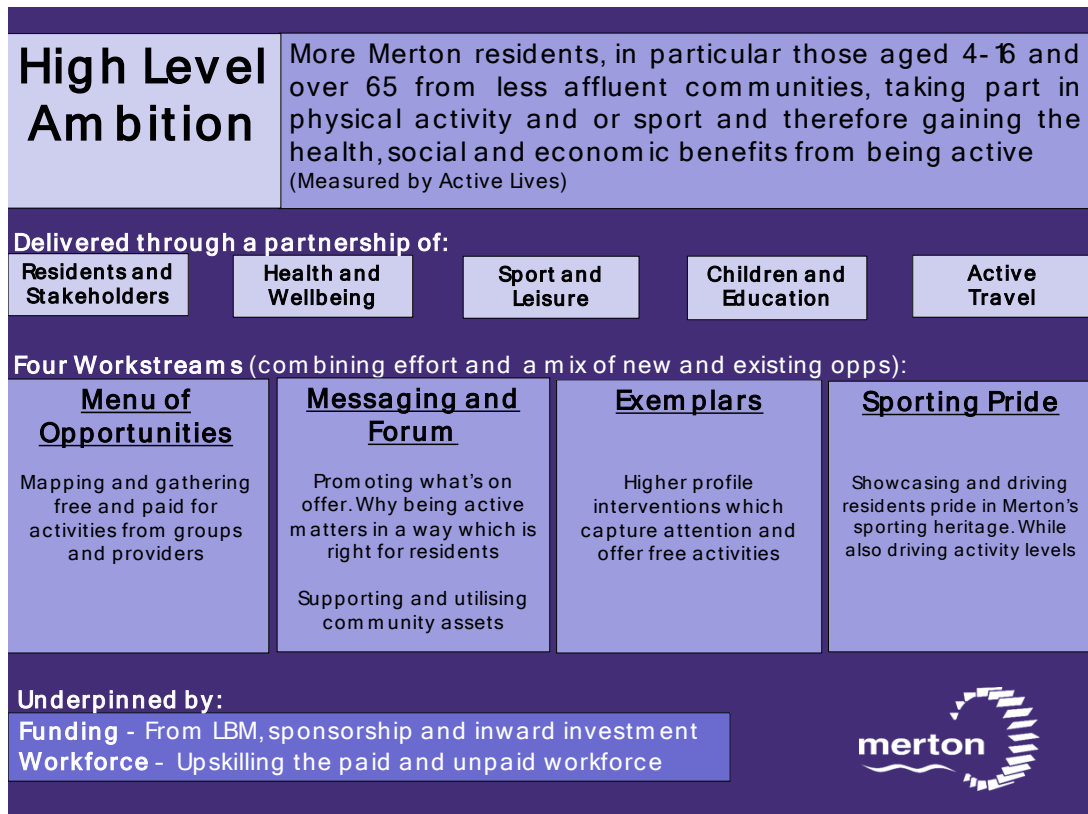
That Cabinet:

- A. Agree the proposals to make Merton London's Borough of Sport.
 - B. Note the estimated costs associated with the plans and agree the final costs are allowed for in the Council's Medium Term Financial Strategy between 2023-26.
 - C. Note the creation of a public forum to gain support and combine effort, and the creation of a cross sector advisory group to guide and steer actions.
 - D. Note London's Borough of Sport will be formally launched towards the end of the summer with stakeholder and community events, with preparatory activities taking place across the summer.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Being London's Borough of Sport is one of the administrations' priorities, alongside civic pride and sustainable futures. The plans set out in this paper deliver the commitment to make Merton, London's Borough of Sport.
- 1.2. Borough of Sport is about: getting more residents, in particular, but not only, 4 to 16-year-olds, the over 65s and the less affluent, physically active; putting Merton on the map for Sport; and celebrating the borough's sporting heritage. The overall ambition is to, "ensure that more Merton residents, in particular those aged 4-16, over 65 and from less affluent communities, take part in physical activity and sport once a week and therefore gain the health, social and economic benefits which come from being physically active
- 1.3. It's about sport in its widest sense so includes walking, cycling, dance – anything that gets residents moving. The call to action is to do one, or one more, physical activity session each week, to unlock benefits for individuals and the borough.

- 1.4. The plans have been informed by extensive consultation with local community groups and council officers. Over 100 local groups and individuals have helped shape the plans. It's been important to take time and listen to local groups to hear what they need and to gain their support.
- 1.5. The following diagram provides a snapshot of the Borough of Sport plans and its four workstreams.



- 1.6. Key actions across the first 18 months of delivery include:
- the recruitment of dedicated officer support at the council and two Community Activators;
 - the creation of a Borough of Sport brand;
 - the establishment of a forum and advisory group;
 - the launch of the Borough of Sport Activity Finder web platform;
 - exemplar projects to catch attention; and
 - a 3 year Borough of Sport small grants fund.

The plan is to formally launch the Borough of Sport towards the end of summer.

2 DETAILS

- 2.1. Borough of Sport is a three-year action plan. To drive the ambition and call to action there are three underpinning actions: 1. dedicated roles: 2. an operational group; and 3. Logo/brand.
- 2.2. **Dedicated Roles to Drive Borough of Sport** – At the council the plan is to recruit two roles:

- The first will be primarily inward facing and their key tasks will include: working across the Council to combine effort and ensure Borough of Sport is a priority, ensuring alignment with other corporate Council agendas, supporting the operational group, Leader and Cabinet Member, overseeing the small grants fund and some key stakeholder relationships, agreeing the work plans of the Community Activators and maintaining the overall work plan and risk register.
- The second role will be primarily outward community facing and key tasks include: building and maintaining relationships with the stakeholders, supporting local groups to take advantage of funding and other opportunities, building the number of activities on the Get Active Portal and supporting the forum/ advisory group.

The plan is to commence recruitment once the plans have been approved by Cabinet in June 2023.

- 2.3. There will also be two paid community activators based within a community organisation host. These are not council roles. Rather roles within the community funded by Borough of Sport – in effect shared roles, with the hosts and council agreeing their work programmes. One will be focused on children and young people and the second on older people. They will help support community groups and assets, seek to garner support and also help local groups apply for funding and combine effort with others. **The plan is to recruit the activators during the first year of Borough of Sport.**
- 2.4. **Borough of Sport Operational Group** – Within the Council there is great enthusiasm for the Borough of Sport, but effort needs to be combined and focused. To co-ordinate action, a Borough of Sport Operational Group has been established. The group draws together senior managers and met for the first time in April 2023 and is now meeting monthly.
- 2.5. **Borough of Sport brand** – A simple and easily recognisable brand which can be used widely by the council and partners to badge and promote the Borough of Sport, something akin to the hugely successful ‘Inspired by 2012’ logo.
- 2.6. Action is then focused around four workstrands.
- Theme 1- Menu of Opportunities.**
- 2.7. There is a huge amount of sport and physical activity, free and paid for, on offer across Merton, but many don’t know about what they could do. There is a need to map opportunities and then publicise them via digital and accessible formats. A bespoke **Borough of Sport Get Active portal** is in development. This will promote what is on offer to the target audiences and drive take up. Community, commercial and voluntary providers will be encouraged and supported to upload their offers on the platform. The activity finder will be promoted by local health workforce (link workers), the Community Activators and amplified by local trusted groups and networks. **The platform is in development and will be ready to be launched during the summer.**

Theme 2 – Messaging, Forum and Advisory Group

- 2.8. This is about promoting what is on offer and supporting and utilising community assets. The Borough of Sport Get Active Platform is also an essential action within this workstrand. There are then three further key actions – 1. the creation of a public forum, 2. an advisory group to co-develop Borough of Sport and 3. a small grants fund.
- 2.9. A public **forum** will be created to bring together partners. Membership will be open, so anyone can attend. Non sporting will be encouraged to join. The forum's purpose is to explain the Borough of Sport concept, garner support, gather questions, concerns and gaps and then combine effort. The forum will be used to keep local groups informed of developments and opportunities. The forum will meet up to four times a year. **The forum will meet for the first time towards the end of the summer when Borough of Sport is formally launched.**
- 2.10. In order to further garner support an **advisory group** is being created to help guide actions. The group will have a regular membership, meet more frequently, most likely monthly and bring key partners including the council around the same table. **The advisory group will meet formally towards the end of the summer when Borough of Sport is formally launched.**
- 2.11. A **small grants fund** will be created and could be transformative to many community groups focused on supporting children and young people and older people. Additional information on how the fund could operate is set out at **exempt appendix 1. The small grants fund will start up during the first year of Borough of Sport and will help realise the ambition of access to free activities. Grants will be overseen by the advisory group.**

Theme 3 - Exemplars

- 2.12. Exemplars are higher profile interventions which capture attention and provide free opportunities. The highly successful Beat the Street which engaged more than 20,000 residents is a good example of what an exemplar will be. Across the three years the plan is to run around 6 or so exemplars. The advisory group will help select the exemplars to they meet local needs.

Theme 4 – Sporting Pride

- 2.13. This workstrand is about showcasing and driving residents' pride in Merton's sporting heritage and footprint while also driving activity levels. The Civic Pride funding awards have already contributed to this theme as is a stronger presence and position within the London Youth Games. Additional actions could include utilising the Canons House Historic Track, the creation of Community Sports Awards; and a partnership with Sporting Memories.

Outcomes and Measurement of Impact

- 2.14. In addition, to the ambition to increase participation in sport and physical activity the following **outcomes** will also measure impact:
- increased physical activity levels across under-represented groups;
 - improved wellbeing (physical and mental);
 - improved social cohesion and community spirit;

- improved civic pride;
- community sports and physical activity providers feel more connected and valued; and
- positive experiences of being physically active.

2.15. The plan is to have three levels of measurement. The **Ambition** will be measured through the Sport England Active Lives adults and children's surveys which report once a year. The **Borough of Sport Activity Finder** provides an analytics dashboard that includes data which measures the number of searches, what people are searching for and their demographics. All the **exemplar** initiatives will have an additional level of monitoring and measurement. We would expect activity and volunteering levels to increase, the number of activities on offer and inward investment to both go up and for the sport sector to feel better contacted to each other and the council.

3 ALTERNATIVE OPTIONS

3.1. Merton's ambition to be London's Borough of Sport is unique. No other London Borough has sought to do this. Alternative options have not been considered and the plans represent best practice. As action will be delivered across a three-year period 2023-26, plans can evolve and be tweaked to respond to changing needs.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. In drawing up the plans over 100 local groups and individuals have been consulted. It's been important to take time to listen to residents and local groups and hear what they need. It means the plans are rooted in the realities of what people are facing. Where actions are parachuted into communities without their involvement or agreement, they are unlikely to work. The proposed public forum and the advisory group which will help steer Borough of Sport, provide for an on-going dialogue with residents and local groups. Whilst Borough of Sport will be led by the Council it will only be realised through partnership working and the combining of effort.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

5.1. Please see **Exempt Appendix 2** for the Financial, Resource and Property implications.

6 LEGAL AND STATUTORY IMPLICATIONS

6.1. There are no legal implications arising from the contents of this report.

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

7.1. There are no material equalities implications resulting from the recommendation(s) of this report.

8 CRIME AND DISORDER IMPLICATIONS

8.1. There are no material crime and disorder implications resulting from the recommendation(s) of this report.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

9.1. The Borough of Sport Operational Group which was established in April 2023 is drawing up a risk register.

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

- Appendix 1 – Small Grants Fund
- Appendix 2 – Financial, resource and property implications

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Committee: Cabinet

Date: 19th June 2023

Wards: All

Subject: Housing Delivery Programme First 93 Units

Lead officer: Lucy Owen Executive Director of Housing and Sustainable Development

Lead member: Cllr Andrew Judge, Cabinet Member for Housing and Sustainable Development

Contact officer: Martin Baker Interim Housing Development Manager

Exempt or confidential report

The following paragraph of Part 4b Section 10 of the constitution applies in respect of information within the appendix and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the appendix

Recommendations:

- A. That Cabinet provides approval to enter into a Collaboration Agreement with L&Q carry out the development management and delivery of 93 Council Homes for the Council.
- B. To delegate the decision on the final terms of this Collaboration Agreement to the Executive Director of Housing and Sustainable Development, in consultation with the Cabinet Member for Housing and Sustainable Development, and for the Council to enter into this final form of the Collaboration Agreement.
- C. That Cabinet approves expenditure of up to £176,500 to cover the reasonably incurred costs in implementing project activity to tender stage.
- D. That Cabinet notes the ambition to create exemplar, sustainable, low or zero-carbon homes. This will include a materials-led approach to assure sustainability and reduced energy costs for residents. Various options will be investigated in terms of innovation, value for money and best practice from other councils and house builders.
- E. That Cabinet notes the update on the creation of a strategy for the remainder of the housing delivery programme, with the aim of a sustainable pipeline, either self-funding or minimising capital subsidy.
- F. That Cabinet notes that no arrangement has yet been made for the future letting and management of the completed units. This will be the subject of a future report and recommendation.
- G. To delegate to the Executive Director of Housing and Sustainable Development, in consultation with the Cabinet Member for Housing and Sustainable Development,

authority to enter into agreements documenting the planning obligations for the four sites on such terms as are considered reasonable to the Council as landowner.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. The Council has set an ambitious target of 400 genuinely affordable homes on Council owned land underway by 2026.

1.2. Four sites have been identified for early delivery of 93 homes and in October 2022, Cabinet elected to use them for affordable housing, either delivered directly by the Council or via a disposal to a Registered Provider. The four sites are: Elm Nursery Car Park, Mitcham CR4 3TA (21 units); Raleigh Gardens Car Park Mitcham CR4 2JB (36 units); Land at Canons, Madeira Road, Mitcham CR4 4HD (18 Units); and Farm Road Church, Farm Road, Morden SM4 6RA (18 units).

1.3. Since that time a number of different delivery mechanisms have been explored. Given the limited internal resources available to the Council, it is considered that the most cost effective and quickest delivery route would be to enter into a Collaboration Agreement with a third party to deliver these homes. To this end, officers have been in discussion with L&Q, a highly experienced registered housing provider. Entering into a collaboration agreement with them on a cost only basis has been identified as the recommended approach.

1.4. Under a collaboration agreement, the Council and L&Q would agree a division of responsibilities between them on a project-by-project basis within the overarching agreement. In essence, this would involve L&Q acting as development and project managers under the direction of the Council. Their role would be to procure and manage the professional team, manage the programme of delivery, procure the building contracts on behalf of the Council and project manage the quality and costs control of the development activities. It will be necessary to ensure that services pursuant to the Collaboration Agreement originate from both parties, and that the parties carry out those services in the collaborative pursuit of a common objective – in this case increasing the overall supply of affordable homes.

1.5. The report also requests approval from the Cabinet to the expenditure of £176,500 being the reasonably incurred costs of L&Q in progressing the work required to deliver the first 93 units to tender stage should the Council decide not to proceed at that Gateway decision point.

1.6. This report also updates on the work to create a pipeline for an ongoing housing delivery programme, for which a further report will be provided to Cabinet in the autumn.

2 DETAILS

BACKGROUND AND PROGRESS SINCE LAST REPORT

2.1. The Council has an ambitious target for its housing delivery programme - for 400 genuinely affordable council homes to be underway by 2026. To help establish if a pipeline of deliverable opportunities exists within the Borough, Savills have been appointed to carry out a comprehensive asset review.

2.2. This review will inform a strategy to optimise the use of Council owned assets within the Borough and also determine if the establishment of a Housing Revenue Account (HRA) would be a viable option for the Council moving forward, or if there are other delivery options to support the council homes programme.

2.3. Waiting for the outputs from this report extends the period for the construction of new homes. In order to expedite the delivery of much needed affordable housing stock and to reduce the impact of construction industry inflation resulting from delays, 4 initial sites have been identified to deliver as a first early stage.

2.4. The 4 sites listed at paragraph 1.1 above were originally taken to a 'Minded to Grant' status in July 2020, subject to a 106 Agreement being entered into. The units were designed for the private sale and private rental market and were to be brought forward by Merantun Developments Ltd, a Council established Property Company, which has since been wound up.

2.5. Merantun Developments Ltd as the original applicant would have been required to enter into a Section 106 Planning Agreement to obtain the issue of the Planning Consent. As the Council is also the Planning Authority and is now the applicant for planning purposes it cannot sign a Section 106 agreement with itself therefore a unilateral undertaking will be necessary to replace the S106. The work to put this unilateral undertaking in place is currently being progressed.

2.6. In December 2021, Cabinet agreed to the disposal of these sites and delegated the decision for disposal for private or affordable development to the Director of Environment and Regeneration.

2.7. At its meeting in October 2022, the Council agreed not to proceed with the private sale option but elected to ensure that the sites are used for affordable housing, either delivered directly by the Council or via a disposal to a Registered Provider.

2.8. Following further discussions with officers, the Cabinet Member for Housing and Sustainable Development, alongside the Leader and Cabinet Member for Finance and Corporate Services requested work to be done to deliver these initial sites as 100% social rent which may, in the future, form part of an HRA. It should be noted that the wider Asset Strategy review noted at paragraph 2.1 above is being carried out in parallel to identify the options to deliver this ambition either in a self-funding way, or to minimise the amount of capital subsidy required.

2.9. The architects appointed by Merantun Developments Ltd have been reappointed to amend the drawings. This is to ensure they meet recently updated Building Regulations. This is necessary to do so there are up to date drawings ready to be used to tender for contractors to deliver the homes. The architects have also been appointed to look at a potential redesign for the Cannons site, as an additional plot of land adjoining this site has recently come available, so there is a potential for additional units to be delivered.

2.10. The Architects are also tasked to scope the work required to deliver the homes to meet Passive House principles as an exemplar for low carbon development in the Borough, as part of the Council's response to the Climate Emergency. The current QS estimate of costs for delivering all 93 units to full Passive House principles is around £1.4m.

2.11. We will work with the architects, L&Q and experience from other councils and housebuilders who have recently delivered exemplar zero-carbon homes to assess the best and most cost-effective way to deliver sustainable, low or zero carbon homes. We will look to specify a materials-first approach to ensure excellent sustainability credentials and to lower energy costs. It is possible full Passive House certification may not be the best value for money given the costs and time implications of securing this, but rather using the principles to inform specifications.

POTENTIAL DELIVERY OPTIONS AND RECOMMENDED ROUTE

2.12. A number of delivery mechanisms have been investigated including delivering via an existing RP with retained nomination rights, appointing remunerated RP development managers, appointing remunerated private sector development managers, a Collaboration Agreement and direct delivery by the Council.

2.13. The Council currently lacks internal resources and experience to manage direct delivery itself. However, in recognising the desire of the Council to maintain control of delivery and develop experience in its internal team, a recommendation is made to negotiate and enter into a Collaboration Agreement with L&Q, a highly experienced RP. L&Q has existing internal resources with capacity and experience which can be applied to delivering these projects on a no profit basis on behalf of the Council. L&Q has a history of providing these services to small RPs as part of its desire to see the overall supply of affordable homes increased and is keen to work more closely with Local Authorities also.

2.14. A Collaboration Agreement is a Public Sector partnership mechanism allowing parties to work together, providing no profit arises to either party from the Agreement. A schedule of roles and responsibilities will be established to set out the input of each party, but it is agreed in principle that L&Q will take the lead on delivery with the Council retaining a monitoring role to ensure quality and timeliness of delivery. Governance Gateway approvals will be established as part of the Collaboration schedule to ensure sound financial management.

2.15. As part of this agreement L&Q will also undertake to provide upskilling to members of the Council's Housing and Sustainable Development team to build experience for future direct development activity.

2.16. The original design for the majority of these units was for Market Rent, rather than affordable homes. We will work with L&Q to see what minor modifications can be made to the designs in order to create cost savings. However, it is considered that the costs of a major redesign, including the delays to delivery, and potentially requiring new planning applications would erode any cost savings through redesigning these specifically for affordable.

2.17. It should be also noted that the development proposals will be subject to officers concluding all legal, financial and site due diligence and addressing any impediments to delivery of development such as dealing with third party rights for light, car parking closure etc.

2.18. The construction market is still experiencing instability. Securing a fixed price contract may prove challenging without a risk premium which may be unaffordable L&Q are likely to recommend tendering on an open book approach which recognises reasonable additional cost where justifiable.

2.19. Cabinet will be required to approve the more detailed costs once tenders for the construction works have been received and adjudicated and the proposal will contain a decision gateway at that point.

2.20. In order to maintain momentum, there will be some costs incurred by L&Q in taking the project to tender which the Council will need to underwrite and could be non-recoverable should the Council choose not to proceed at that Gateway stage. These are estimated to be £176,500

2.21. GLA have already expressed a willingness to provide some Grant Funding and for the purpose of this exercise the sum of £150,000 per unit has been adopted which amounts to £15.95m but this will be the subject of further discussion with GLA.

2.22. Based on updated costs, even with the Grant contribution, it is not unexpected that there remains a need for the Council to contribute to the development of 100% social rent units. This can be covered by capital contributions from the Council's funds. The current assessment of the additional capital subsidy or other source of funding required by the Council to deliver these first 93 homes is estimated to be between £14.3m to £22.8m.

2.23. The subsidy from the Council should be seen in the light of the significant housing pressures in the Borough and the urgent need to provide truly affordable homes for local families. The provision of these homes could also relieve pressure on the demands for and cost of temporary housing, enabling some families currently in temporary accommodation the opportunity to move into a permanent home. The benefits of good quality, secure housing also link to health and wellbeing, as housing is an important social determinant of health, and a lack of housing or poor quality housing can negatively affect health and wellbeing.

2.24. Additionally this initial subsidy is seen to "pump prime" the Council's delivery of affordable homes, accelerate the delivery programme, start building capacity and experience internally, and provide the initial contribution to a future HRA should the Savills report establish such potential.

UPDATE ON WIDER HOUSING DELIVERY PROGRAMME

2.25. As noted at paragraph 2.2 above Savills have been appointed to examine the options for how the Council might best deliver its housing delivery ambitions of 400 genuinely affordable homes in a viable way. Options being looked at are whether it is viable to reopen an HRA. Savills are also carrying out a review of Council owned assets to identify a future pipeline of housing development sites. This work will be used to create a strategy for the housing delivery programme which aims to be self-funding, or to minimise the amount of capital subsidy required. The strategy could include mixed tenure housing and site disposals to generate capital receipts for investing in the delivery of social rented council homes.

2.26. Emerging findings from this work suggest that there is potential for the Borough to reopen an HRA however more work is needed to establish the likely timescale for the delivery of sufficient units to make the HRA viable. Early findings also show that an HRA based on the first 93 units would be sustainable, but only with additional subsidy from the council to enhance the assumed GLA grant. The asset review work needs to be finalised and inputted to the early work to see how the Council's assets can be used to minimise this subsidy and create a self-funding programme. Once financial appraisals and options have been finalised, the strategy and potential programme will be brought back to Cabinet in the Autumn for agreement.

3 ALTERNATIVE OPTIONS

3.1. In October 2022 Cabinet agreed not to dispose of the first four sites for private sale and instead allocates the sites for affordable homes, delivered either by the Council or a Registered Provider (Housing Association).

- 3.2. A number of RP housing providers have been approached to consider buying the sites and delivering 100% social rent affordable housing.
- 3.3. Concern was expressed by those parties about the small-scale of development and the viability of delivering at a period of turbulence in the construction market with escalating labour and material prices.
- 3.4. Although there was one serious expression of interest there was concern about the capacity and experience of the RP to deliver across the 4 sites on an accelerated timescale
- 3.5. Approaches were made to other larger RP's to request interest in providing Development Management services on a remunerated basis. Early expression of interest however fell away owing to a lack of capacity in those parties to accommodate the additional workload.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None for the Purpose of this report

5 TIMETABLE

- 5.1. This proposal envisages that the Collaboration agreement will be entered into between the parties by 1st July.
- 5.2. L&Q will prepare an overarching project programme utilising their routes to procurement and use their in-house team to manage the building contract thereby minimising the risk of any SME failure which has been a feature of the current market.
- 5.3. There will be Gateway approval milestones included in the Collaboration Agreement schedules for Governance purposes which will provide the Council with key decision points such as approval of the Construction Contract tender.
- 5.4. Cabinet will have the opportunity to review and approve reports at these key Gateway Milestones.
- 5.5. Delivery of the RIBA tender packages is expected to be at the end of this Calendar year.
- 5.6. The expectation for a start on site would be during Q4 in the current financial year, although this is still subject to further refinement by L&Q and subject to tendering exercises.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

Capital

- 6.1 The approved capital programme 2023-27 contains the following budgetary provision for the delivery of the first tranche of the affordable housing programme:

Capital Programme as at Outturn 2022-23

Scheme Description	Budget 2023- 24 £m	Budget 2024- 25 £m	Budget 2025- 26 £m	Budget 2026- 27 £m

Affordable Housing Fund*	5	5	10	9
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*This scheme is funded in part by £4.6m Affordable Housing S106 contributions which must be spent on the delivery of housing units. However, if the scheme is not progressed to a stage where balance sheet assets are generated the abortive/sunk cost would need to be charged to revenue and a revenue funding source would need to be identified. The Affordable Housing S106 could not be used to fund these abortive/sunk costs.

6.3 x

6.8 The work undertaken by L&Q can be capitalised. The Collaboration Agreement requires that the services of L&Q are provided at cost only without any profit element.

6.9 If this scheme is deemed a legacy scheme by Members CHAS capital receipts could be utilised to fund it.

Revenue

6.10 Cabinet (31 August 2022) set aside the sum of £300k to update the approved plans for four Council owned sites; bringing them up to current building regulations and sustainability standards prior to the development of affordable housing. In addition to this the Authority has received £216k from the GLA, giving a total revenue funding of £516k. As at 31 March 2022 the Authority had spent £44,674 of this scheme on consultancy and legal expenses.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. The Council has power to provide social housing by virtue of Part II of the Housing Act 1985. If it does so, then the provisions of section 74 of the Local Government and Housing Act 1989 which relate to the establishment of a housing revenue account (HRA) apply. Put shortly, if the Council wishes directly to provide housing either by building it or by purchasing land or buildings for that purpose it will need a direction from the Secretary of State permitting it to do so. If the number of homes provided is 200 or more, then the Council will also need to apply for permission to reopen an HRA. In order to do the latter, it will likely be necessary to produce at least an outline business plan.

7.2. The Council has applied for and received consent from the Secretary of State under the Direction to Build

7.3. Any decision regarding the reopening of an HRA will be for a future meeting following the development of a comprehensive Asset Strategy Review.

7.4. The Council has the power to enter into a collaboration agreement with L&Q by virtue of Regulation 12(7) of the Public Contracts Regulations 2015 (the Regulations). This regulation allows local authorities to enter into agreements without going out to tender where certain conditions are met. The first such condition is that the contract is between two contracting authorities with the aim of ensuring that the public services they have to perform are provided with a view to achieving objectives they have in

common. This condition would appear to be met. L&Q are a contracting authority for these purposes.

7.5. The second condition is that the implementation of the arrangement is governed solely by considerations of public interest. Guidance issued on this condition requires that no profit be derived from the arrangements, although it is permissible for either party to recover its costs. In order to ensure that this condition is met, the terms of the collaboration agreement will require L&Q to operate on an open book basis.

7.6. Third, no more than 20% of the activity carried out under the collaboration arrangements must be performed on the open market. There is currently no intention to perform any of the activity on the open market or to “trade” so this condition would also appear to be met.

7.7. The Council has taken external legal advice on the use of a collaboration agreement to assist in delivering these (and possibly future) affordable homes. That advice is that the proposed arrangements should fall within the scope of regulation 12(7). However, the advice also recommends that in order to mitigate against any risk of challenge, the Council should publicise its intention to enter into these arrangements by way of a Voluntary Transparency Notice (a VTN) prior to the parties entering into the agreement, followed by the publication of a Contract Award Notice (a CAN) once the agreement has been entered into.

7.8. A VTN provides a defence against a claim that the agreement was improperly entered into without prior publication and a CAN provides a secondary protection, should a claim succeed against the Council, by capping the time limit during which a claim may be brought to 30 days from the date of publication of the CAN, as opposed to from the date when any challenger knew or ought to have known that grounds for challenge had arisen. In all the circumstances, it would seem prudent for the Council to take both these precautionary steps.

7.9. If the form of the collaboration agreement means that although L&Q manage the procurement and other processes, but the actual construction contract is between the Council and the building contractor, then in relation to that and any other direct contract, the procurement process must comply with the Public Procurement Regulations and the Council’s contract standing orders.

7.10. In terms of the planning agreement to facilitate the grant of planning consent for the four sites, a unilateral undertaking may be entered into pursuant to powers in section 111 of the Local Government Act 1972 which empowers local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. None for the purpose of this report

9 CRIME REGISTERED PROVIDER (SOCIAL LANDLORD) AND DISORDER IMPLICATIONS

9.1. None for the purpose of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. The first 4 sites provide acceleration of the delivery of the affordable homes programme however in isolation as designed and specified for market rent they may

not be considered best value for money for the intended purpose should the overall programme not proceed, or not be able to provide enough cross subsidy to create a self-funding pipeline.

10.2. The viability gap of the first 4 sites will require the Council to fund the shortfall from other Capital. This will need to be managed by the future programme. A mitigation for this could be to consider mixed tenure to allow the Council's housing programme to cross subsidise the Social Rent. This could, however, slow the pace of delivery of Social Rented accommodation.

10.3. The construction market is still uncertain and while there are signs of inflationary pressures easing external factors can still impact on the costs of delivery. This is mitigated by using the experience and suppliers of L&Q to minimise any such impact

10.4. Fixed price construction contracts are difficult to secure in the current inflationary climate and it may be necessary to enter into a contract that recognises justifiable cost increases on an "open book" basis. Although this opens the Council to inflation risk, a fixed price contract may be considerably more expensive. These risks are again mitigate by using the experience of L&Q to help monitor costs and manage the contractors.

10.5. It is proposed that a multi-disciplinary Employer's Agent is appointed to represent the Council's interests in respect of compliance and quality assurance to help mitigate the risks of issues arising with quality as the homes are delivered.

10.6. In addition to the EA it is recommended that LBM appoint a monitoring QS to review the project financial expenditure on a Quarterly basis to ensure the DM services are delivering good value.

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

Appendix 1 – Exempt - Viability Assessment of Proposed 93 Houses

12 BACKGROUND PAPERS

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Committee: Cabinet

Date: 19th June 2023

Wards: All

Subject: **Proposed Designation of Landlord Licensing Following Review of Consultation Results; Update on Empty Homes Project; and Update on Article 4 Direction**

Lead officer: Dan Jones, Executive Director of Environment, Civic Pride, and Climate
Lucy Owen, Executive Director of Housing and Sustainable Development

Lead member: Councillor Andrew Judge, Cabinet Member for Housing and Sustainable Development

Contact officer: Lesley Barakchizadeh, Lead Programme Consultant – Corporate Projects Ext: 3099

Recommendations:

- A. Following review of the consultation responses, Designate (Confirm) Selective Licensing for the following 4 wards: Figge’s Marsh; Graveney; Longthornton; Pollards Hill; with proposed Go Live in Sept 23
- B. Following review of the consultation responses, Designate (Confirm) Additional Licensing for the following 7 wards: Figge’s Marsh; Graveney; Longthornton; Pollards Hill; Colliers Wood; Cricket Green and Lavender Fields, with proposed ‘Go Live’ in September 2023
- C. Approve the Selective and Additional Licensing Fees as set out in Appendix D
- D. Give Delegated Authority to the Executive Director of Housing and Sustainable Development, and the Executive Director of Environment, Civic Pride, and Climate, in consultation with the Cabinet Member for Housing and Sustainable Development to increase the Licence Fees should this be required following the annual review of fees to ensure that costs are being covered
- E. Note that following Confirmation at Council in April 2023, the Article 4 Direction has now been made permanent in the 7 wards: Figge’s Marsh; Graveney; Longthornton; Pollards Hill; Colliers Wood; Cricket Green and Lavender Fields.
- F. Note that the timescale for the risk of Legal Challenge to the Article 4 Direction has now passed but there is still a risk of Legal Challenge to the introduction of Selective and Additional Licensing for 3 months from Designation
- G. Note that the Secretary of State has considered the evidence provided by the Council for the Article 4 Direction and has confirmed they will not be intervening
- H. Note that there is an ongoing risk of compensation claims being submitted for any small HMOs (6 person and under) that relied on the permitted development rights that have been removed in the 7 wards, and note that claims are only valid if a planning application is submitted within 12 months from the introduction of the Immediate Article 4 (17th November 2022) and then subsequently refused; or if additional Planning Conditions are applied that reduce the development’s value
- I. Note the update on the Article 4 Direction and the Empty Homes Project.

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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This report provides an update on three key projects which were reported to Cabinet in March 2023, and Council in April 2023

- Proposals for Selective Licensing and Additional Licensing schemes, which would require a licence for private rented sector (PRS) properties, and for houses in multiple occupation (HMOs) not covered by the mandatory HMO regulations (applicable to properties with 5 or more occupants from two or more households).
- The introduction of an Immediate Article 4 Direction, which requires new small house and flat shares (small HMOs) to seek planning permission instead of being covered by Permitted Development (PD). HMOs of 7 or more people, from more than one household, already require planning permission.
- Empty Homes Project – This would bring into use some of the estimated 2,000 long-term empty homes in the borough through a range of measures.

1.2 At Cabinet in March 2023, it was resolved to:

- A. Following review of the consultation responses as well as consideration of legal advice from an external barrister, recommend to Council that the Immediate Article 4 Direction for small HMOs be Confirmed for the following wards: Figge's Marsh; Graveney; Longthornton; Pollards Hill; Colliers Wood; Cricket Green and Lavender Fields.
- B. Note that there is an ongoing risk of compensation claims being submitted for any small HMOs (6 person and under) that relied on the permitted development rights that have been removed in the 7 wards, and note that claims are only valid if a planning application is submitted within 12 months from the introduction of the Immediate Article 4 (17th November 2022) and then subsequently refused; or if additional Planning Conditions are applied that reduce the development's value
- C. Note the update on Landlord Licensing and Empty Homes, including the proposed charges and conditions appended, and note that once the full consultation report has been provided to the Council by ORS, a further report will be brought back to Cabinet in June to agree the way forward for Landlord Licensing, following consideration of representations received.
- D. Agree that the additional cost of £75,000 for project management, housing staffing; and external legal fees up to Oct 23 (date of implementation) be funded by a transfer from the corporate contingency fund.
- E. Delegate Authority to the Executive Director for Housing and Sustainable Development in consultation with the Cabinet Member for Housing and Sustainable Development to Approve the draft Supplementary Planning Document on HMOs for at least 6 weeks of public consultation and to approve any amendments required by proposed changes to the National Planning Policy Framework.

- 1.3 Also in March, a report on the introduction of the Immediate Article 4 Direction, including the results of the consultation exercise, was considered by the Borough Plan Advisory Committee (BPAC), which confirmed support for the Article 4 Direction being made permanent (Confirmed) by Council in April for the 7 wards identified.
- 1.4 At Council in April, the Article 4 Direction was Confirmed. An update on this is included in Section 5. The Secretary of State notified the Council that it had considered the evidence and would not be intervening.
- 1.5 A large scale consultation exercise, led by the Council's consultants, Opinion Research Services (ORS), commenced on 14th November 2022.
- 1.6 A consultation webpage - www.merton.gov.uk/prsconsultation – was set up which enabled people to:
- Complete a questionnaire designed by ORS
 - Book attendance at a Landlord or Stakeholder Forum
 - Read the proposals for both landlord licensing and the Immediate Article 4 Direction
 - View a wide range of background documents including the October 2022 Cabinet report and the Metastreet report.
- 1.7 The webpage is still up and running and updated to enable people to continue to review the proposals and background information as well as the final report from ORS.
- 1.8 An Immediate Article 4 Direction for Small HMOs was introduced and came into effect on 17th November, as agreed by Cabinet in October 2022. The Consultation Webpage was updated on the 17th November with the Article 4 Direction and Notice. All statutory notification procedures were followed and exceeded including: notification to the Secretary of State; notification to statutory bodies; posting of Notices on lampposts; and publication in the press. Plus, a 10-week Consultation Exercise took place – the statutory consultation period for an Article 4 Direction is 6 weeks.
- 1.9 During, and following the closure of the consultation on 22nd January, 2023, a range of responses were received, including 487 Completed questionnaires; some direct email representations on licensing to ORS; direct email representations on the Article 4 Direction to the Council as the Local Planning Authority; 2 solicitors' letters; comments made during 2 Landlords Forums; comments made during a Landlords Forum specifically on Article 4 (requested by landlords); comments made during a Stakeholders Forum.
- 1.10 As the full consultation results were not available in time for March Cabinet and April Council, and the Article 4 Direction needed to be Confirmed within 6 months, it was agreed to report the findings separately for the Article 4 Direction with the results of for Landlord Licensing going to a later meeting.
- 1.11 The final consultation report has now been received from ORS and this report therefore focusses on the consultation responses for Landlord Licensing.

1.12 This report also provides brief updates on the Empty Homes project and the Article 4 Direction.

2 BACKGROUND

2.1 It is important to reiterate that the Council is committed to improving housing conditions in the Private Rented Sector (PRS); and to tackling the many instances of anti-social behaviour and other issues that arise from poorly managed rented properties and in particular HMOs.

2.2 The PRS is an important part of our housing stock and has grown rapidly in Merton. Whilst many landlords operate within guidelines, there are also others who do not, often taking advantage of some of the most vulnerable members of our community. This leads to issues affecting health and safety, the wider community, as well as the environment.

2.3 The Council strongly believes that it is necessary to pursue every action it can take to address the many issues and complaints that it receives resulting from the growth of the PRS in Merton and unscrupulous landlords.

2.4 To this end, the Council is working on an overarching housing strategy which will include a raft of measures and actions to be taken to improve the wellbeing of our communities, including proposals for the introduction of Landlord Licensing (selective and additional Licensing); the Article 4 Direction introduced in November 2022, followed by its Confirmation at Council in April; as well as targeted and effective enforcement.

2.5 A Supplementary Planning Document (SPD) has also been produced to ensure that guidance is in place against which planning applications for change of use to HMOs can be assessed. The SPD will be a material consideration for HMO applications and will provide guidance to inform when HMOs are likely to be considered acceptable and unacceptable.

2.6 Additionally, the overarching ambition of the Administration is to rebuild pride in Merton with three strategic themes as follows:

- Nurturing Civic Pride;
- Building a Sustainable Future;
- Creating a Borough of Sport.

2.7 The proposals for selective and additional licensing, as well as the introduction of the Immediate Article 4 Direction for small HMOs, supports both the theme of Building a Sustainable Future, and Nurturing Civic Pride.

2.8 The proposed introduction of Selective and Additional Licensing is also in line with the Government's Renter Reform Bill and other proposed changes to the PRS.

3 OVERVIEW OF CONSULTATION RESULTS

- 3.1 It was agreed that it would be most effective for a joint consultation exercise to be undertaken for both Landlord Licensing (selective and additional licensing proposals) and the introduction of the Immediate Article 4 Direction. The formal consultation commenced on 14th November 2023 and closed on 22nd January 2023.
- 3.2 A consultation webpage was set up which hosted a questionnaire designed and administered by the Council's retained consultants, Opinion Research Services (ORS), as well as enabling interested parties to book attendance on:
- A virtual Landlords Forum held in the daytime
 - An in-person Landlords' Forum held in the evening
 - A virtual Landlords' Forum purely to discuss the Immediate Article 4 Direction held in the daytime in response to Landlords' requests
 - A Stakeholders' Forum – for organisations such as the Fire Services; Public Health and the National Residential Landlord Association (NRLA)
- 3.3 The forums were hosted by ORS but attended by council officers who responded to numerous questions including clarifying the proposals. The Forums (other than the stakeholders forum) were very well attended with 20/25 individuals at each. However, it was notable that some individuals attended all 3 landlord forums and in particular, several of the attendees held a portfolio of properties, so larger developers/landlords, rather than individual small landlords. In general, the forums were well-natured, and attendees expressed their thanks for the officers listening to their views.
- 3.4 In addition to the channels above, a dedicated telephone helpline was provided by ORS to enable stakeholders who needed assistance completing the questionnaire to be given suitable support, and an email address was available to request versions of the questionnaire in alternative formats or languages.
- 3.5 With regard to the questionnaire, a total of 478 were received, with respondents primarily identifying with the following groups:

Stakeholder type	Number of respondents	% of respondents
Letting or managing agent with properties in Merton	25	5
Private landlord in Merton	190	40
Represent an organisation based in/covering Merton	4	1
Live in Merton	251	53
Other respondents	8	2
Total	478	100

3.6 As some respondents identified with more than one category, whilst the above table is what ORS used primarily for reporting the results, the table below also provides a bit more detail on some of the groups. Note that as some respondents identified with more than one group, the total number exceeds the number of questionnaires received:

	Count	Total %
Live in Merton - rent my home from a private landlord	62	13
Live in Merton - rent my home from the council or housing association	4	1
Live in Merton - own my home	239	50
Live in Merton - other type of occupier	9	2
Private landlord in Merton	197	41
Letting or managing agent with properties in Merton	24	5
Represent an organisation based in or covering Merton	7	1
Own or manage a business in Merton	5	1
Work in Merton	13	3
Have another connection with Merton	6	1
No connection with Merton	3	1

3.7 As well as completion of the questionnaire and/or attendance at a forum, it was possible to send a more detailed email representation to ORS about landlord licensing, or a specific representation on the Immediate Article 4 Direction direct to the Local Planning Authority via a Council email address.

3.8 The consultation webpage also contained an extensive amount of information on the proposals such as fees and conditions for landlord licensing; the Metastreet report showing the data that ward selection was based upon; the Article 4 Direction, Notice and map; a consultation document with further information produced by ORS, and other background material.

3.9 The webpage has been updated and is being kept live due to the usefulness of the information whilst proposals are still being considered.

3.10 As could be predicted, from those who responded to the questionnaire, there is a clear split between residents (including tenants) being in favour of the Article 4 Direction and Landlord Licensing and landlords opposing it.

3.11 **Headline results show:**

- Many larger landlords/developers are against introducing an Immediate Article 4 Direction (as opposed to a non-immediate)
- 32% of landlords support an Article 4 Direction

- 54% of landlords disagree with an Article 4 Direction
 - 81% of residents and tenants agree with an Article 4 Direction
- 3.12 However, greater numbers of landlords appear to oppose Landlord Licensing rather than the Immediate Article 4 Direction:
- 89% of landlords disagree with Selective Licensing
 - 78% of landlords disagree with Additional Licensing
 - 78% of residents and tenants agree with Selective Licensing
 - 81% of residents and tenants agree with Additional Licensing
- 3.13 The full consultation results for the introduction of both Selective Licensing and Additional Licensing are reported in Section 10.

4 UPDATE ON THE EMPTY HOMES PROJECT

- 4.1 At the March Cabinet 2022 Meeting an update was provided on the proposal to introduce an Empty Homes Scheme. This would bring into use some of the estimated 2,000 long-term empty homes in the borough, by providing incentives such as grant funding; loans; and advice for owners to bring qualifying properties up to a required standard for letting. The Council may require leasing of properties back to the Council for the provision of accommodation for households owed a housing duty.
- 4.2 It was decided that the scheme would be established under the Regulatory Shared Services Partnership (RSSP). This was based on the financial efficiencies achievable and the fact that the RSSP was already operating the Wandsworth and Richmond schemes and had the organisational infrastructure; system; and processes in place to enable swifter implementation.
- 4.3 A joint Housing and RSSP project team was established last year and has been progressing the project transition to the RSSP and delivery of Project Delivery Plan requirements. Key elements within the plan are the establishment of the required Finance and IT requirements, and policy and processes, for scheme implementation.
- 4.4 The scheme had been expected to go live in July 2023, however, the recent recruitment for the Empty Property Officer on a fixed-term basis was unsuccessful. The role profile and person specification have been revised and the post is currently subject to job evaluation. A further recruitment process will follow the evaluation.
- 4.5 The difficulty in recruitment reflects the current issues across a number of sectors affecting local authority recruitment. It is anticipated that this situation may delay go live by around three months.

5 UPDATE ON THE ARTICLE 4 DIRECTION

- 5.1 At its meeting in October 2022, Cabinet approved the introduction of an Immediate Article 4 Direction for small HMOs in 7 wards, as well as approval for a joint consultation exercise on both the Immediate Article 4 Direction for small HMOs and proposed Landlord Licensing.
- 5.2 The Council commenced the consultation process on 14th November and on 17th November 2022, an Immediate Article 4 Direction was introduced into the following 7 wards (the same ones proposed for Additional Licensing).
- Figge's Marsh
 - Graveney
 - Longthornton
 - Pollards Hill
 - Colliers Wood
 - Cricket Green
 - Lavender Fields
- 5.3 The Immediate Article 4 Direction came into force immediately on 17th November, and following consideration of the consultation responses and representations, was Confirmed (made permanent) at Council in April 2023.
- 5.4 There is a clear legal process to be followed for the introduction of an Article 4 Direction which is as follows:
- The Council must give notice of a Direction to be made by site notices and press notice, for a period of not less than six weeks. The General Permitted Development Order 2015 requires notice to be served on the owner and occupier of every part of the land within the area or site to which the Direction relates unless the local planning authority considers that individual service is impracticable
 - A copy of the Direction and the relevant maps must be sent to the Secretary of State on the same day that the notice is first published. Any statutory undertakers and the Crown will also need to be sent individual letters with a copy of the Direction. A copy of the Direction including its associated maps to which it applies should also be placed on the Council's website
 - A period of at least 21 days will need to be specified in the Direction, stating the date on which that period begins and within which any representations concerning the Direction may be made to the Local Planning Authority. Any representations received must be duly considered by the Council before a decision is made whether or not to confirm the Direction.
 - The Article 4 must be Confirmed within 6 months, or it will lapse, and a second notification made to the Secretary of State at the time of Confirmation
 - The Secretary of State has the power to pause or stop the Article 4 at any time.
- 5.5 The above process was followed and exceeded with a wider number of individuals and bodies notified and consulted than was required under the

statutory process. The actual consultation took place over ten weeks as opposed to six.

- 5.6 Following consideration of the consultation results, Cabinet recommended to Council that the Article 4 Direction be Confirmed and made permanent. The Borough Plan Advisory Committee also considered the consultation results and made the same recommendation to Council.
- 5.7 At the meeting of full Council in April, the consultation results were further considered, and the Article 4 Direction was made permanent.
- 5.8 Council noted the ongoing risk of compensation claims being made and of a Legal Challenge being received. The timescale for receipt of a Legal Challenge being received has now passed.
- 5.9 Following Confirmation of the Article 4 Direction, a further round of notification of interested parties was undertaken, not only following the statutory notification process set out in 5.4, but also notifying anyone who had taken part in the consultation process, where contact details had been provided.
- 5.10 The Secretary of State was notified about the Article 4 Direction, and provided with evidence, for a third time, following Confirmation by Council. The Secretary of State has considered whether adequate evidence exists for the introduction of an Article 4 Direction, whether there was adequate evidence for the introduction of an Immediate Article 4 Direction, and whether the Council applied the Article 4 Direction to the smallest geographical area. The Secretary of State has the power to modify or cancel an Article 4 Direction at any time either before or after confirmation.
- 5.11 The Council has now received notification back from the Secretary of State, confirming that they have considered the evidence supplied, and have made the following statement: *'We, as officials acting on behalf of the Secretary of State, have reviewed the HMO Article 4 direction and the evidence provided. We do not intend to take any further action. However, please note that this does not preclude the Secretary of State using his powers to intervene in the future.'*
- 5.12 To guide consideration of planning applications for HMOs, and to build upon the information in Merton's Local Plan, a draft Supplementary Planning Document (SPD) has been produced. This will be used as a material consideration when assessing planning applications for HMOs.
- 5.13 The SPD HMO guidance is intended to provide landlords, property owners, tenants and decision makers with clear guidance on what is expected for new HMOs that require planning permission, to help improve the quality of new HMOs across the borough.
- 5.14 The relevant policy standards that have been included within the document relate to: accessibility, local amenity, vehicle parking, cycle parking, internal space standards, waste storage, noise, air quality and ventilation.

- 5.15 A first draft of the SPD was presented to Borough Plan Advisory Committee on 23rd March 2023 and was also sent to members of the Planning Applications Committee on 22nd March 2023.
- 5.16 The SPD is currently being amended where possible to reflect the feedback received from both BPAC and PAC, and additional feedback internally from colleagues. Subject to approval by the Director in consultation with the Cabinet Member, the draft SPD will then be published for at least six week's consultation, which will be carried out in line with [Merton's Statement of Community Involvement](#).

6 INTRODUCTION OF SELECTIVE AND ADDITIONAL LICENSING

- 6.1 As stated above, due to timings and the unavailability of the final consultation report until April, and the need to Confirm the Article 4 Direction within 6 months, the March Cabinet report reviewed the consultation findings for the Article 4 Direction. Having received the final consultation report from ORS, this report now reviews the findings for Selective and Additional Licensing.
- 6.2 The statutory framework for selective and additional licensing is set out in S.80 of the Housing Act 2004. Selective Licensing of Houses (Additional Conditions) (England) Order 2015, and in the Ministry of Housing and Local Government (MHCLG) (now the Department for Levelling Up, Housing and Communities (DLUCH)) 2015 publication, Selective Licensing in the Private Rented Sector.
- 6.3 A Selective Licensing designation may be made if an area meets one or more of the following conditions (a scheme based on one condition would be unlikely to succeed and for conditions 3-6 an area should have a higher than the average Private Rented Sector (PRS) stock (approx.19-20% based on 2021 data):
1. That the area is, or likely to become, an area of low housing demand
 2. A significant and persistent problem caused by anti-social behaviour
 3. Poor property conditions
 4. High levels of migration
 5. High levels of deprivation
 6. High levels of crime
- 6.4 Secretary of State (SoS) approval is required for a selective licensing scheme affecting more than 20% of the PRS, or 20% of the local authority area. The approach that the Council has opted for is to target the wards reflecting the most serious conditions and environmental impact, whilst remaining under 20%. These are:
- Figge's Marsh;
 - Graveney;
 - Longthornton;

- Pollards Hill;

6.5 This not only means that there is no delay whilst having to apply for Secretary of State consent, which would not necessarily be granted, but also it will enable the Council to get an experienced team in place, as well as relevant back-of-house systems for processing, and to ensure everything is working as it should for a smaller number of wards, prior to any consideration of widening the scheme to further affected wards.

6.6 It will be important to ensure that monitoring takes place on how well the scheme is working from an administration and inspection/enforcement point of view and what impact it is making in terms of improvements in housing standards and reduction in anti-social behaviour – although evidence from such improvements will not be possible to be demonstrated in the short term. However, an annual review of scheme performance and impact will be implemented. There will also be an annual review of scheme costs.

6.7 The Council is also aware that some councils have been unsuccessful in securing government approval for their licensing schemes, where approval was required, due to concerns about the information provided to support applications or renewals of licensing schemes. Merton monitors developments in the sector and maintains contact with other local authorities, to share information and learning experiences, and maintain up to date awareness of the challenges of operating a licensing scheme.

6.8 Should a decision be taken at a later date to expand the number of wards within the licensing designated area to cover more of the borough, then at that point it will be necessary to apply to the Secretary of State for consent, as cumulatively both the percentage of the PRS stock and the geographic area affected will be greater than 20%.

6.9 An Additional Licensing Scheme may be introduced if a significant proportion of unlicensed HMOs are giving rise, or are likely to give rise, to problems affecting the occupiers or members of the public. The current mandatory scheme applies to properties rented to five or more people who form more than one household. An additional licensing scheme would therefore apply to HMOs rented to less than five people. The powers to introduce an additional licensing scheme are set out in the Housing Act 2004, and do not require Secretary of State approval. The proposed wards are:

- Figge's Marsh;
- Graveney;

- Longthornton;
- Pollards Hill;
- Colliers Wood;
- Cricket Green;
- Lavender Fields.

- 6.10 Additionally, there will be a risk of Legal Challenge to both the introduction of Selective, and Additional Licensing for a period of 3 months from the date of Confirmation (Designation being made). It should be noted that it is a legal requirement that a scheme cannot commence until 3 months after the designation is made.
- 6.11 Confirmation, subject to consideration of the consultation results, is due to take place at this meeting. There is no need for Licensing to be Confirmed at Council. Subject to everything being in place, this would mean that the scheme could be introduced 3 months' later in September.
- 6.12 Similar to the publicity about the Consultation Exercise, there will be information provided beforehand to all relevant stakeholders, to ensure that everyone is made fully aware of the introduction of Landlord Licensing into the affected wards.
- 6.13 This will include direct mail; press releases; information on the Council website; and other media as required.

7 EVIDENCE FOR SELECTIVE AND ADDITIONAL LICENSING

- 7.1 It is necessary to produce robust evidence in support of the introduction of both selective and additional licensing. It is also necessary to limit both to the smallest geographical area possible as opposed to following a blanket approach across the borough.
- 7.2 Merton has used data from a number of sources to inform its decision on the introduction of selective and additional licensing, as well as to determine the geographic areas – in effect wards – that should be selected.
- 7.3 To ensure that the Council has robust data as required by the Government, the Council has analysed its existing records on the PRS and specifically HMOs including anti-social behaviour complaints and other complaints made to the Council. The Council procured a data management company, Metastreet, to provide detailed analysis on the private rented sector in Merton.
- 7.4 The Metastreet analysis assisted in assessing which wards would be most appropriate for the introduction of Selective Licensing; Additional Licensing; and the Immediate Article 4 Direction.

- 7.5 The recently published census 2021 tenure data has been reviewed and compared with the data from the Council's commissioned tenure analysis from Metastreet. Whilst data on the numbers and percentages of PRS dwellings in some wards shows comparable alignment, there are some wards where there is a significant difference between the figures.
- 7.6 The census provides a figure of 29.5% PRS households in Merton, compared with the Council's commissioned analysis projecting the % PRS to be 34%. The Government guidance requires an authority to have regard to census and other sources of data in assessing the levels of PRS in areas being considered for licensing.
- 7.7 Having reviewed the census data it is considered that the Council's commissioned data analysis provides a more realistic projection of the level of PRS dwellings in the relevant wards. This is based on several considerations.
- 7.8 It is known that not all landlords declare that their properties are let, including multiple let dwellings. The census data would be unlikely to identify situations where tenants are sub-letting to other households, or where dwellings conceal informal accommodation such as outbuildings or garden structures.
- 7.9 The census data is considered likely to indicate a lower figure for PRS households in the borough than is actually the case. The census data does not adversely affect the proposals relating to the Article 4 Direction and landlord licensing.
- 7.10 The analysis uses data on council tax records, turnover of council tax names, complaints received by the Council on Anti-Social Behaviour, levels of serious hazards, particularly the most serious hazards, receipt of benefits and other statistics and overlays the data to predict the likely numbers and locations of HMOs and whether there is a link between HMOs and anti-social-behaviour, as well as Category 1 Hazards.
- 7.11 As the data demonstrates, HMOs are accessible to many of Merton's residents who are in receipt of housing benefit and who cannot afford to access other forms of private rent. The data demonstrates that this is more prevalent in the east of the borough, which is less affluent than western wards.
- 7.12 Although this is extensive data analysis, it is far less likely to pick up shared houses and flats (HMOs) where tenants have no anti-social behaviour complaints, don't have Category 1 hazard records against the property, are in a stable tenancy, and are not in receipt of benefits.
- 7.13 This helps to identify the poorest performing HMOs but not all HMOs; for example, people renting property on a long-term tenancy that aren't in receipt of housing benefit or don't have anti-social behaviour will not be identified by this data.

- 7.14 The data tells us that Graveney, Longthornton, Pollards Hill, Figge's Marsh, Cricket Green, and Colliers Wood wards are likely to have more HMOs that are causing harm to the wellbeing of the area and are an immediate threat to local amenity. This is detailed in the Metastreet report (available on the webpage www.merton.gov.uk/prsconsultation) and is based on the extensive analysis they carried out.
- 7.15 While Lavender Fields ward is ninth in the list of wards with the poorest performing HMOs, it is included in the proposal as it is surrounded to the north, east and south by wards with the worst performing HMOs (with the western side bordering a non-residential area. It is the sixth highest ward for numbers of complaints the Council receives on the private rented sector, and numbers of reports of anti-social behaviour, and it is characterised by housing stock that is typically used as Houses in Multiple Occupation.
- 7.16 The Council considers that this provides robust evidence to require the introduction of Additional Licensing for these wards.
- 7.17 Some of the most relevant maps/charts illustrating ward selection are shown below in Figs 1 to 5. The following data is based on Council held longitudinal data over 5 consecutive years, from April 2017 – March 2022:
- Fig 1: Map of predicted geographic location of the worst performing HMOs by Ward
 - Fig 2: Graph of predicted geographic location of the worst performing HMOs by Ward (same info as Fig 1 presented differently)
 - Fig 3: Total number of complaints received by the Council relating to the Private Rented Sector (PRS) and on anti-social behaviour by Ward
 - Fig 4: Graph of anti-social behaviour linked to HMOs by Ward
 - Figure 5: Category 1 Hazards and HMOs by ward showing a clear correlation

Figure 1 – map of predicted geographic location of the worst performing HMOs by ward (source: [Metastreet](#); same data as Figure 2 graph)

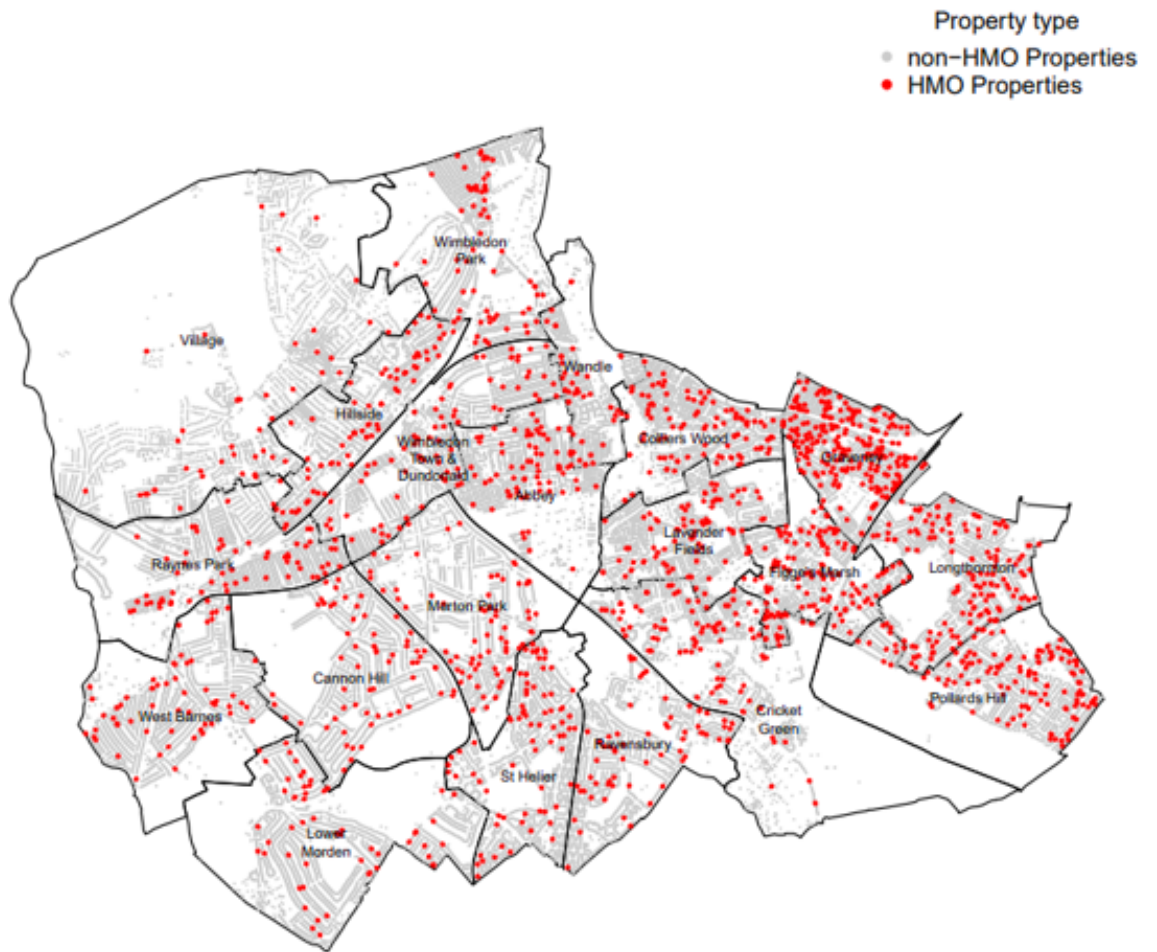


Figure 2: graph of predicted geographic location of the worst performing HMOs by ward (source: Metastreet; same data as Figure 1 graph)

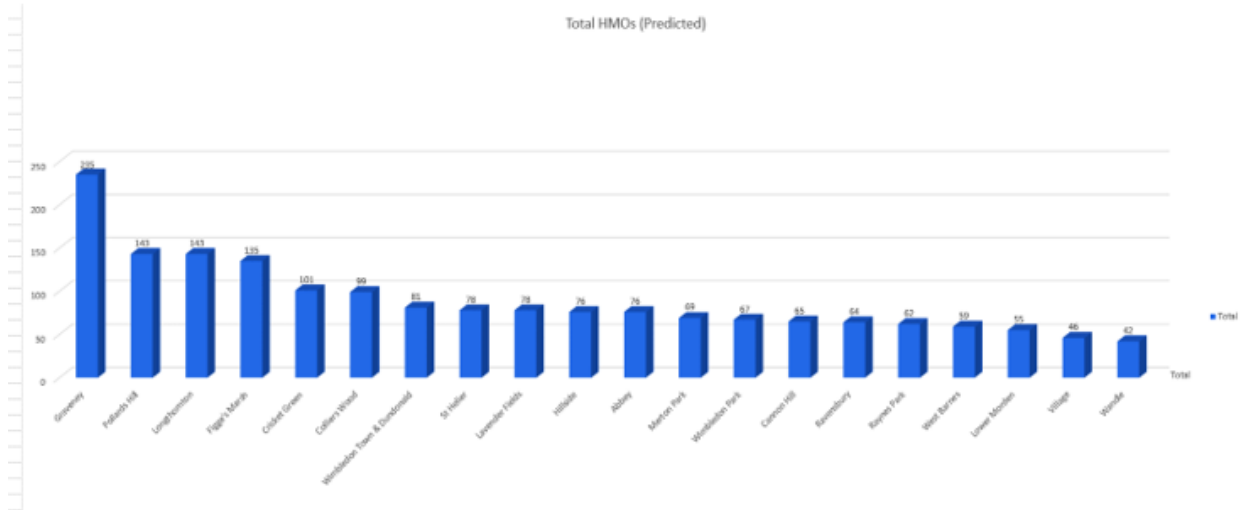


Figure 3: total number of complaints received by the council relating to the private rented sector and on anti-social behaviour

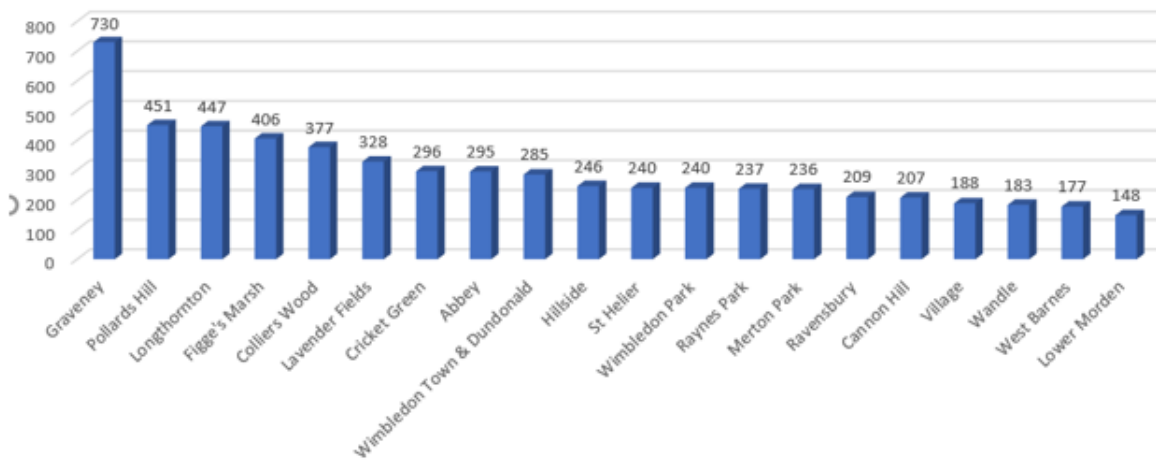


Figure 4: ASB linked to HMOs. Graveney (139) has the highest recorded ASB incidents linked to HMOs

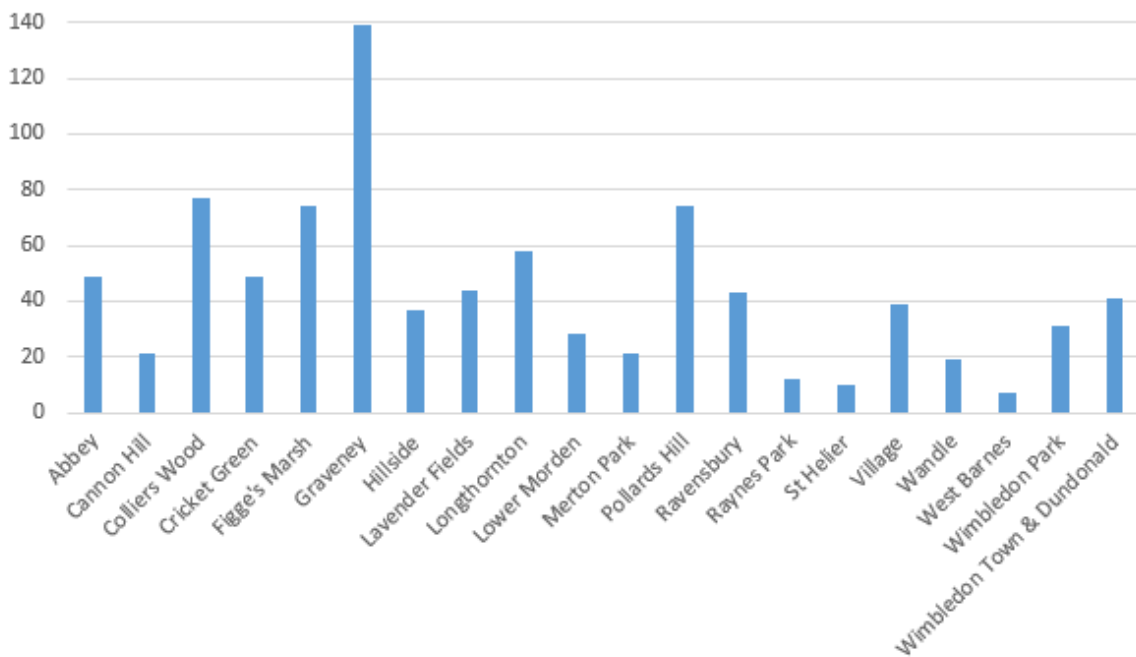
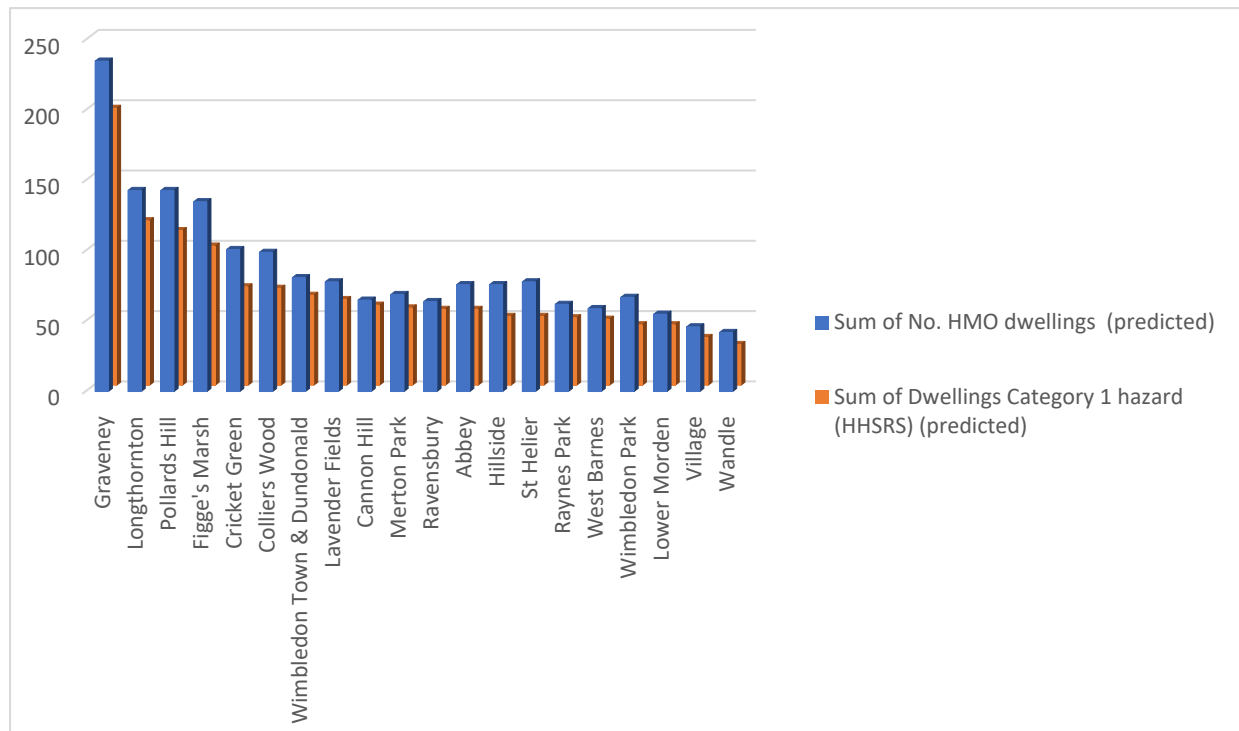


Figure 5: Category 1 Hazards and HMOs by ward showing a clear correlation



- 7.18 In addition to the extensive Metastreet data, consideration was given to the frequent complaints being received by several different service areas, including Environmental Health and Planning Enforcement amongst others. Numerous complaints were being received in the 12 months preceding the consultation exercise, from MPs; Councillors; and residents, on a regular basis.
- 7.19 Many of these outlined the harm being caused to local areas and the wellbeing of residents through the many small and badly managed HMOs which were springing up and not being controlled due to being allowed under permitted development rights and in many cases being either too small to be covered by mandatory licensing or avoiding licensing.
- 7.20 Whilst many issues such as anti-social behaviour and fly-tipping can be dealt with to a degree once they have occurred by services and controls such as Environmental Health, it was felt that it was imperative to tackle the problems at source, proactively rather than reactively. Requiring small HMOs to apply for Planning Consent ensures that consideration is given at the time of development to adequate waste facilities; outside amenity space; appropriate internal layout and design; consideration of parking impacts; and proposed external changes which may be out of keeping with the neighbourhood.
- 7.21 As well as the introduction of an Immediate Article 4 Direction for small HMOs, it was determined that making small HMOs subject to Additional Licensing was the only option for the Council to prevent further threats to local amenity not only to the areas selected but to local residents, many of whom were distraught by the issues, as well as to protect the wellbeing of tenants who were at risk due to inadequate facilities.
- 7.22 Requiring small HMOs to obtain a licence, as well as other PRS properties, means that issues such as ensuring adequate facilities; property safety standards; as well as tenancy management information, can be applied at the outset through the use of Conditions that must be complied with (see Conditions in Appendix B).
- 7.23 With regard to Selective Licensing, whilst it would no doubt be desirable to introduce this to the same 7 wards as selected for the Article 4 Direction and Additional Licensing, it is necessary to seek the approval of the Secretary of State for any Selective Licensing scheme that exceeds either 20% of the geographic area of the borough or the PRS.
- 7.24 Therefore, at the present time, the introduction of Selective Licensing has been restricted to the 4 most seriously affected wards for both anti-social-behaviour as well as the number of category 1 hazards.
- 7.25 The wards selected are Graveney, Pollards Hill, Longthornton and Figge's Marsh and both the geographic area and the % of the PRS comes in at under 20% - 15.2% and 18.8% respectively.

Table 1: SL wards as a percentage of the predicted ward PRS dwellings

Ward)	Total dwellings in Ward	No. PRS dwellings (predicted) in Ward	% PRS in Ward
Figge's Marsh	4118	1165	28.3
Graveney	4261	1742	40.9
Longthornton	4253	1350	31.7
Pollards Hill	4104	1230	30

7.26 PRS dwellings for these 4 wards totals 5,487 which is 18.8% of the total number of PRS dwellings in the borough (29,181). The data table below from Metastreet provides the Borough PRS dwelling count and % PRS.

Table 2: SL wards as a percentage of the Borough geographical area

Ward Name	Ward (Sq. miles)	% of Total Borough (Sq. miles)
Pollards Hill	0.83	5.70
Longthornton	0.58	4.03
Figge's Marsh	0.41	2.84
Graveney	0.38	2.61
Total Sq. Miles	2.21	15.18

7.27 As well as a clear correlation between HMOs and Category 1 Hazards (see fig 5 above) there is also a correlation between the wards with the highest HMO numbers and HMO Category 1 hazards, and the wards with the highest PRS and ASB Complaints. Four wards are common to both groups. The tables below show the relationship between the two groups.

Table 3: HMOs by Ward with Highest Category 1 Hazards

Ward	HMO dwellings (predicted)	Dwelling Category 1 hazard (predicted)
Graveney	235	197
Longthornton	143	117
Pollards Hill	143	110
Figge's Marsh	135	99
Cricket Green	101	70

Table 4: Highest ASB & PRS Complaints by Ward

Ward	Sum of Total ASB & PRS complaints
Graveney	730
Pollards Hill	451
Longthornton	447
Figge's Marsh	406
Colliers Wood	377

7.28 When wards with the highest number of Category 1 hazard dwellings in the PRS are compared to Category 1 hazards within HMOs, only Graveney features in both. The top five PRS category 1 hazard wards features some of the borough's more affluent wards, with lower levels of PRS and ASB complaints. The reason for this is believed to be due to energy performance data whereby larger older properties will generally feature lower thermal energy ratings.

Table 5: Highest Category 1 Hazards in PRS by Ward

Ward	Dwellings Category 1 hazard (HHSRS) (predicted)	% PRS
Graveney	468	40.9
Raynes Park	451	36.4
Hillside	435	46.9
Wimbledon Town & Dundonald	434	39.2
Wimbledon Park	393	44.9

8. DOES LICENSING WORK?

- 8.1 Whilst undoubtedly, some local authorities have experienced difficulty in their introduction of Selective and Additional Licensing Schemes, there is also considerable evidence demonstrating that such schemes do work, provided they are planned and resourced effectively, and that they provide positive outcomes for both residents and tenants. However, there is also evidence demonstrating that even schemes that experienced difficulties made an impact on identifying poor conditions and hazards in the sector and contributed to improvement of standards in the areas.
- 8.2 For those that experienced difficulties, some were overwhelmed by the numbers of applications at the commencement of schemes. Others experienced issues relating to insufficient staff to process applications and carry out inspections, which led to delays in issuing licenses. Some councils found that a small but significant number of landlords did not apply for licences, resulting in more work to trace and identify the relevant properties.
- 8.3 Merton has taken this into account by carefully modelling the extent of the processing and size of the inspection teams required at the outset, although until the scheme is underway, there will also be an element of uncertainty over both the take-up of licences and numbers of those attempting to avoid applying for a licence.
- 8.4 Some data from scheme reviews also cited the difficulty in gaining access to properties for inspections due to tenant availability issues. The Council is aware of potential delays caused to the proposed inspection regime and has factored these into the overall scheme operating model.

- 8.5 To tackle the potential 'peak' of applications at the beginning of the scheme, Merton will recruit staff at the earliest stage if scheme approval is confirmed. This will enable onboarding and training prior to the introduction of licensing and will enable staff to 'hit the ground running' and assist the rest of the team members at the beginning of the scheme.
- 8.6 Looking at the research undertaken on schemes that do work, the Building Research Establishment (BRE) undertook a review of Bristol City Council's licensing schemes, comparing hazards in the PRS over a two-year period between the 2017 and 2020 from stock modelling surveys. In areas where discretionary licensing schemes had been declared, there was a 43% (850 hazards remedied) reduction in serious hazards in rented accommodation in these areas.
- 8.7 Licensing allows a local authority to adopt a much more proactive approach to tackling poor housing conditions and raising standards in the PRS. Licensing encourages good practices and imposes a level of self-regulation as a landlord will need to demonstrate that they comply with fire, gas, and electrical safety Conditions under the licence requirements. In addition, a licence will not be granted if at the point of application, the landlord does not meet the Fit and Proper Person test.
- 8.8 Anti-Social-Behaviour (ASB) can be linked to the failure of landlords to manage their properties adequately. With licensing, a proposed Condition is that tenants are informed of their responsibilities regarding ASB and the penalties they could face. Additionally, references must be provided by proposed tenants. Poor waste management and fly-tipping is a major ASB issue and can be addressed through the use of licensing Conditions relating to waste.
- 8.9 In 2019, MHCLG (now DLUHC) commissioned an independent review of the Use and Effectiveness of Selective Licensing:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833217/Selective_Licensing_Review_2019.pdf.
- 8.10 At the time of the research, 44 local authorities reported operating a selective licensing scheme. The research found that: 'With a single exception, local housing authorities with schemes in operation considered their schemes to be at least "fairly effective" in tackling one or more of the issues licensing was introduced to address. Of the responses to this question, 41% were "very effective", 51% were "fairly effective" and only 9% were "fairly ineffective" or "very ineffective".² The figures clearly suggest that, in the opinion of authorities currently operating schemes, selective licensing is an effective policy tool.'
- 8.11 The review paper further found that: 'The research overall indicates that selective licensing can be an effective policy tool with many schemes achieving demonstrable positive outcomes. However, this study also indicates that when implemented in isolation, the effectiveness of selective licensing is often limited. Schemes appear to be more successful as part of a wider, well planned, coherent initiative with an associated commitment of resources – a finding entirely consistent with the aims of the Housing Act.'

- 8.12 In line with this, the Council is not introducing a Selective Licensing Scheme in isolation, but is doing it as part of a wider housing and delivery strategy (see Section 15), which incorporates a range of proposed measures including:
- Selective Licensing
 - Additional Licensing of HMOs
 - Empty Homes Strategy
 - Article 4 Direction
 - Private Sector Housing Assistance Policy (Disabled Adaptations Services)
 - Rent Deposit Scheme - private rental procurement via partnership with Capital Letters
- 8.13 The licence fees from both selective and additional licensing are being used to fund a completely new team of property licensing and enforcement officers (PRS), who will both administer the licenses and inspect the properties. They will work in liaison with the officers who deal with the existing borough wide mandatory HMO licensing scheme and private rented sector enforcement, as well as with planning enforcement officers.
- 8.14 The Chartered Institute of Environmental Health and Chartered Institute of Housing have also published a joint report on selective licensing schemes: A License to Rent (<https://www.cieh.org/media/2552/a-licence-to-rent.pdf>).
- 8.15 The initial key question the research sought to answer was ‘whether schemes were effective, particularly with regards to improving housing conditions.’ What they found was whilst local authorities need to jump through many costly hurdles before setting up schemes, ‘these schemes are much more effective than we imagined and are clearly making a difference in areas that need a focussed approach to tackle widespread substandard housing.’
- 8.16 A key finding of the research was that ‘...selective licensing schemes are effective at improving housing conditions and local outcomes and evaluations data supports this.’
- 8.17 The research found that most schemes that were studied, inspect every property in the licensing area and therefore uncover poor conditions without the tenant needing to complain to the council. Inspecting every property over the 5-year term of the license is something that Merton is committed to doing.
- 8.18 Other key findings from the CIEH/CIH study were:
- Clear evidence that property standards have been improved. The high number of inspections carried out as part of the schemes often shed light on the high level of non-compliance and the prevalence of dangerous properties being rented out in licensable areas. We found numerous examples of councils who could clearly demonstrate that large numbers of hazards had been identified and addressed.

- Selective licensing schemes are successful at improving housing conditions. We found numerous examples of inspections leading to very high numbers of serious hazards and defects being identified and addressed in licensed areas. In schemes that have ended, we found that between 69-84% of properties in licensed areas needed works to be done to bring the properties up to a decent standard. The introduction of a selective licensing scheme in these areas clearly shows that property and management standards have been improved and the schemes were well targeted to focus on areas with very poor housing stock. The fact that such large numbers of properties needed works to be done also suggests that the schemes are largely fair to landlords – a majority of properties within licensable areas are benefitting from improvements and greater compliance.
- Several councils have highlighted that landlords had become more willing to do required works on their properties once licensing schemes had been set up in their areas. Although the exact mechanisms are unclear, this observation is backed up by the large numbers of works being done to remedy hazards and defects, without formal action being taken by the local authority. We therefore consider that the success of selective licensing schemes cannot be measured in prosecutions data alone and needs to take into account the number of properties or management practices improved.
- Some councils are also able to provide clear evidence of reductions in anti-social behaviour. Resources to support and educate landlords to tackle the anti-social behaviour of their tenants has been an essential component of successful schemes.
- Whilst not a primary aim or measured outcome of many schemes, the existence of selective licensing in the areas we studied also often led to a better understanding of the local housing market and provided opportunities to better engage with local landlords.
- Some schemes appear to have encouraged greater joint working, with many areas reporting joint inspections with the police and the sharing of various data sources to identify unlicensed landlords.

8.19 More recently, research published in the British Medical Journal (BMJ) in 2022 (<https://bmjopen.bmj.com/content/12/12/e065747>) reported on the impact evaluation of selective licensing schemes for private rented sector homes in London. The 5-year study found evidence of area-level reduction in anti-social behaviour, and positive impact on mental health and wellbeing, where licensing scheme had been introduced.

9 IMPACT UPON HOUSING NUMBERS

9.1 HMO's are undoubtedly an important source of housing within London as a whole and specifically within Merton. This is recognised in the London Plan 2021 and Merton's own Local Plan.

- 9.2 HMO's provide housing for some of the most vulnerable in our society and flexible accommodation for many people who need to change home due to education requirements; work; family break-ups; or other personal circumstances.
- 9.3 Undoubtedly, HMO's provide a valuable contribution to Merton's overall housing capacity. However, it is really important to ensure that the quality of HMO's is adequate to meet the needs of tenants, without affecting their health and safety and also, that badly managed HMO's, or HMO's that are badly designed with inadequate facilities, do not lead to unacceptable impacts upon the amenity of areas and the wellbeing of residents.
- 9.4 For this reason, where Merton has identified that there is harm being caused to both residents and tenants by poorly designed and managed HMO's, the Council has brought in an Immediate Article 4 Direction – as well as considering proposals to extend mandatory licensing to smaller HMO's in the form of Additional Licensing.
- 9.5 There are concerns from landlords and from the National Residential Landlords Association (NRLA) that the introduction of Additional Licensing, as well as the Article 4 Direction will result in a reduction or stagnation in housing numbers. However, there is no evidence that this is the case. Additionally, it should be noted that for both the Article 4 Direction and Additional Licensing, these measures cannot be applied retrospectively so will not affect small HMOs already in operation, although evidence such as a tenancy agreement will need to be provided.
- 9.6 The 2019 study - 'Use and Effectiveness of Selective Licensing' - commissioned by MHCLG (referred to in point 8.9) did not show real substantive evidence of this effect during the review. If landlords sell their properties, these are likely to be bought by other landlords, and the supply would not be significantly affected.
- 9.7 Data from the English Landlord Survey (2021) indicated that landlords who planned to decrease or sell all their rental property were planning to do so due to legislative changes (e.g. to benefits, tax relief and stamp duty), these being the most commonly cited reasons. This was followed by forthcoming legislative changes (e.g. to section 21 evictions), or for personal reasons (e.g. approaching retirement age, other commitment etc.)
- 9.8 The additional cost of a licence which covers 5 years (or the balance remaining) or applying for planning is also relatively low when compared to the potential rental income – for instance, Merton has above average rents for London, with 45.9% of median earnings used to pay rent (source TFL 2020). Therefore, it is unlikely to result in a significant number of landlords choosing not to enter the HMO market.

- 9.9 The introduction of control measures such as Additional Licensing and the Article 4 Direction will not mean that it is impossible to convert a single-family dwellinghouse into a small HMO. It will mean, however, that the Council will be able to manage the impact of such conversions and will be able to ensure that they are of an appropriate standard to protect tenants as well as ensuring that they do not give rise to a harmful impact on amenity or wellbeing of the area.
- 9.10 It is considered that the Council's proposed additional licensing scheme, which aims to improve housing conditions and standards of management in the private rented sector and to reduce ASB associated with poorly managed HMO's, in conjunction with the Article 4 Direction, will be an effective measure to ensure an increase in the standards of HMOs in the borough and to manage their impacts on wider amenity.

10 CONSULTATION RESULTS FOR LANDLORD LICENSING

10.1 Results from the Forums

As stated in Section 3, three Landlord Forums (one purely on Article 4) and one Stakeholder Forum were held, both virtually and in person, during both the day and evening to maximise attendance.

10.2 Some key themes were noticeable, including:

- Landlords disagreed that the proposals would have a meaningful impact on antisocial behaviour. Landlords largely agreed that they should not be held responsible for dealing with antisocial behaviour outside their rental properties, since they are generally unequipped to deal with the complex circumstances that often lead to it. The NRLA requested that landlords be assisted in dealing with antisocial behaviour complaints against tenants.
- Landlords and the NRLA both questioned the Council's ability to implement the proposals effectively, based on their experiences of similar schemes elsewhere. Landlords used neighbouring local authorities such as Croydon as examples of where Selective Licensing schemes failed to meet their aims. In the case of Croydon, the Council failed to obtain approval for the introduction of a new scheme, following expiry of the existing one, primarily due the quality of the information that they provided to the Secretary of State with the application. The NRLA referred to Greenwich whereby a Selective Licensing Scheme was eventually abandoned. However this was said by Greenwich to be due to the Pandemic.
- The NRLA agreed that every licensed property should be inspected but doubted the achievability of the schemes to deliver against their aims. It was also felt that the planned inspection workforce would be insufficient to achieve this.

- Landlords and managing agents also expressed concern around the 'timing' of the licencing proposals, given that, in addition to the current cost-of-living crisis, they potentially face considerable costs to meet new government regulations requiring improvements to the energy performance of rented homes. It was suggested that the Additional Licensing scheme might lead landlords to sell their properties or convert them back to single-home dwellings, potentially reducing the amount of affordable housing in the affected wards.
- Landlords felt that the proposed fees were too high, although the NRLA suggested that they are more favourable than in some other parts of the country. However, both agreed that the fees would be passed on to tenants through increased rents.
- It was felt that discounts should be offered in specific circumstances, and that payment in monthly instalments would be welcomed. Landlords were also concerned that non-compliant landlords would avoid paying the fees and were unsure how non-compliant landlords would be identified.
- Public Health Merton suggested that the proposed conditions could result in improved EPC ratings and stressed the importance of landlords informing tenants of their rights and responsibilities.

10.3 **Email Representations Direct to ORS**

As well as responding to the questionnaire or attending a Forum, there was the opportunity to make a direct representation to ORS via email. Two were provided by landlords, one by Siobhain McDonagh, a local Member of Parliament, and one by Propertymark, an organisation representing landlords and letting agents.

10.4 These submissions expressed support for the Council's *efforts* to improve property standards in the PRS in Merton but were divided in their opinions: two were opposed as they did not think the schemes would achieve the stated aims, while the other two felt that the condition and management of PRS property would be improved.

10.5 Propertymark felt that the measures would punish compliant landlords and likely leave noncompliant landlords undetected. As a result, Propertymark opposed the Council's proposals for Selective and Additional Licensing. The MP response expressed regret that the proposals could not cover every ward within the constituency of Mitcham and Morden, since the number of HMOs was said to be increasing in neighbouring wards.

10.6 A small number of organisations also provided comments via the questionnaire. Of particular interest is a response from Shelter (London hub), who welcomed the Council's proposals, and stated that *it is important that the national government provides councils with adequate resources so that proactive enforcement becomes widespread*, as well as encouraging wider partnership working between tenancy enforcement teams and organisations such as Shelter, Law Centres, advice centres and with Justice for Tenants.

- 10.7 The full responses received are available within ORS's final report which can be found on our webpage: www.merton.gov.uk/prsconsultation.
- 10.8 **Responses to Questionnaire**
As stated in Section 3 – Consultation Overview – a total of 487 questionnaires were received. These were categorised into different types of respondents, with some classing themselves as in more than one category – for instance, a landlord could also be an owner occupier. ORS analysed the results based on the key category an individual identified with.
- 10.9 The 2 major groups – Landlords/Letting agents and Residents/Tenants made up the vast majority of respondents with these being quite similar in number. For instance, there were 215 Landlords/Letting Agents and 251 Residents/Tenants.
- 10.10 Perceptions around the extent to which certain issues are a problem in some areas of Merton vary according to the nature of the issue and the type of stakeholder. Fig 1 summaries how each stakeholder type views the extent of each of these problems in some areas of Merton by providing an overview of the proportions of respondents saying that each potential problem is either a 'fairly big' or 'very big' problem.
- 10.11 Only one-in-ten landlords/letting agents (10%) thought that poor property conditions were either 'a fairly big problem' or 'a very big problem' in some areas of Merton. Tenants/residents/others however were far more likely to believe there to be such a problem, with nearly four-in-five (79%) giving one of these options. Fig 2 illustrates this.
- 10.12 Organisations were also more likely to think poor property conditions were a problem with three-quarters (75%) stating that it was either a fairly or very big problem. It is worth noting that the results for organisations are only based on 4 cases.

Figure 1: Extent of problems in some areas of Merton - High level summary

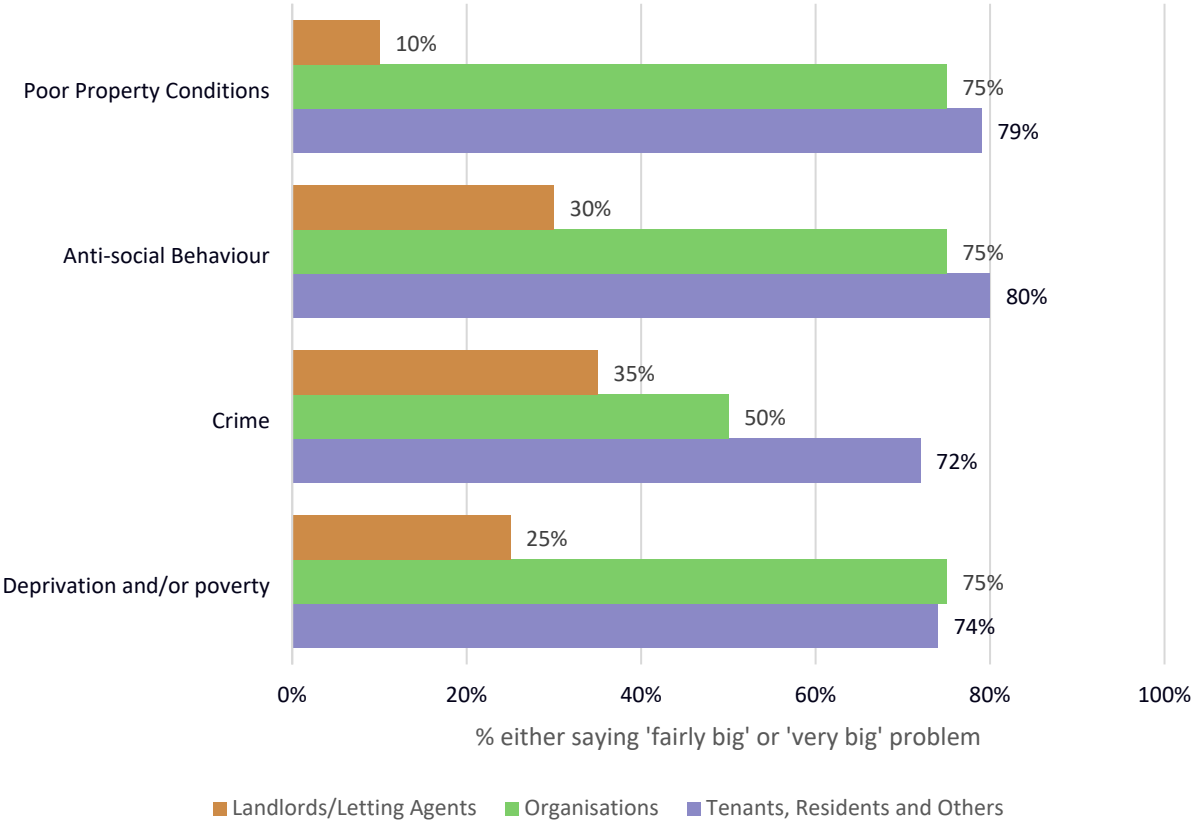


Figure 2: Extent to which poor property conditions are a problem in some areas of Merton

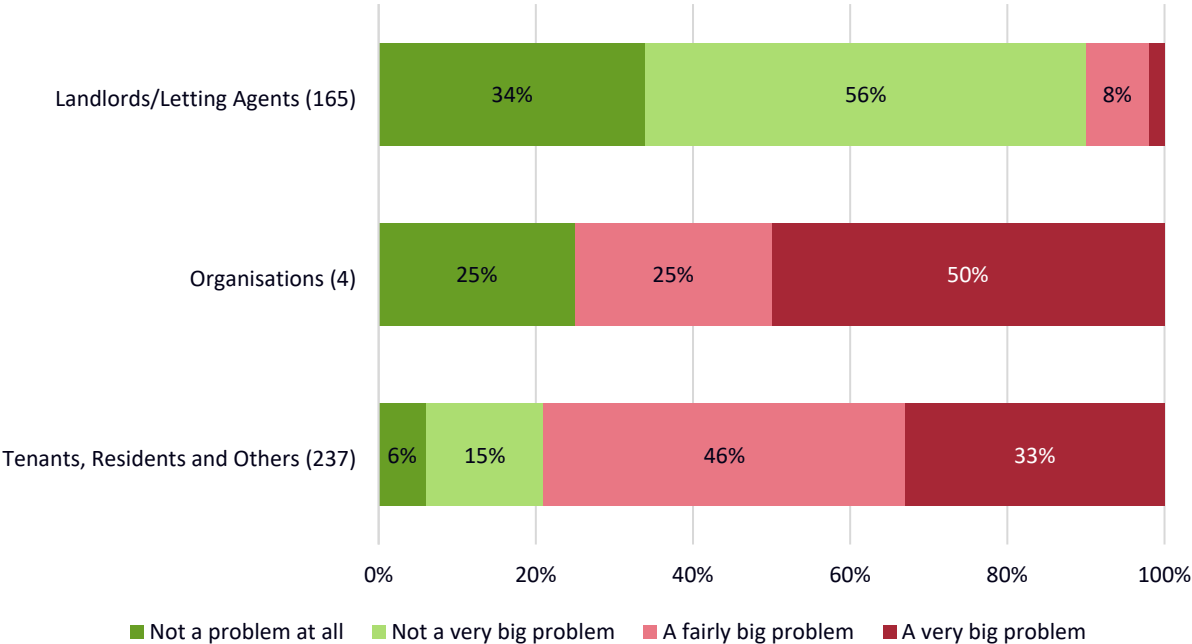
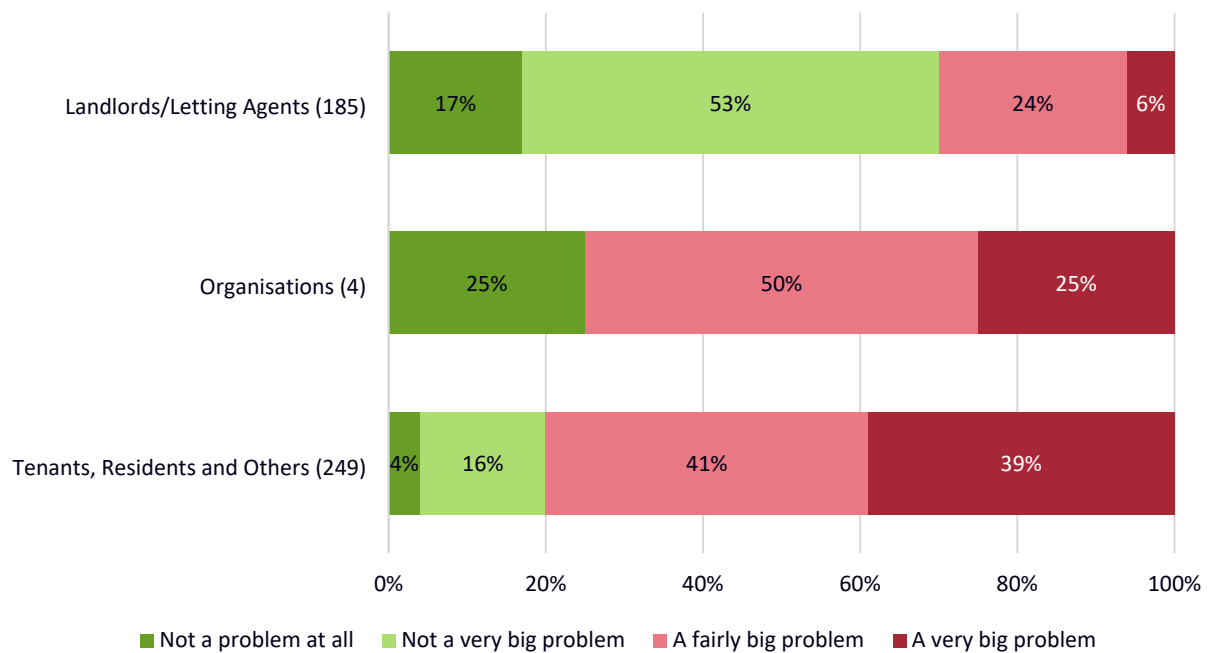


Figure 3: Extent to which anti-social behaviour e.g. noise, rubbish, vandalism is a problem in some areas of Merton



- 10.13 A greater proportion of landlords/letting agents thought that anti-social behaviour e.g. noise, rubbish, vandalism was either 'a fairly big problem' or 'a very big problem' in some areas of Merton, with three-in-ten (30%) giving one of these options. However, there were still far more tenants/residents/others, four-in-five (80%), saying there was such a problem, and three-quarters (75%) of organisations (NB based only on 4 cases) believing this to be the case. See fig 3.
- 10.14 Of tenants/residents living in Merton, those owning their home were more likely to consider anti-social behaviour a problem, with over four-fifths (86%) saying they thought it was either 'a fairly big problem' or 'a very big problem' compared to three-fifths (60%) of those renting from a private landlord.
- 10.15 Just over a third (35%) of landlords/letting agents thought that crime e.g. burglary was either 'a fairly big problem' or 'a very big problem' in some areas of Merton. This increased to just under three-quarters (72%) for tenants/residents/others. There was an even split in opinion amongst the 4 organisations. See fig 4.
- 10.16 Of tenants/residents living in Merton, those owning their home were more likely to consider crime a problem, with three-quarters (75%) saying they thought it was either 'a fairly big problem' or 'a very big problem' compared to just over six-in-ten (61%) of those renting from a private landlord.

Figure 4: Extent to which *crime e.g. burglary* is a problem in some areas of Merton

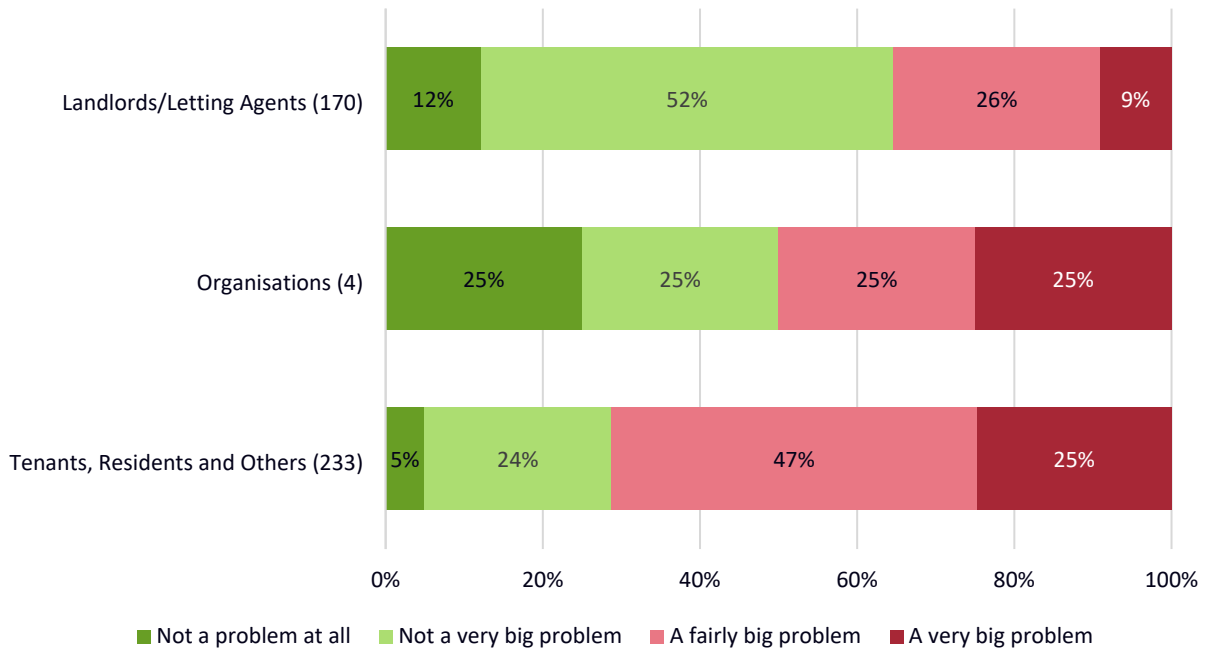
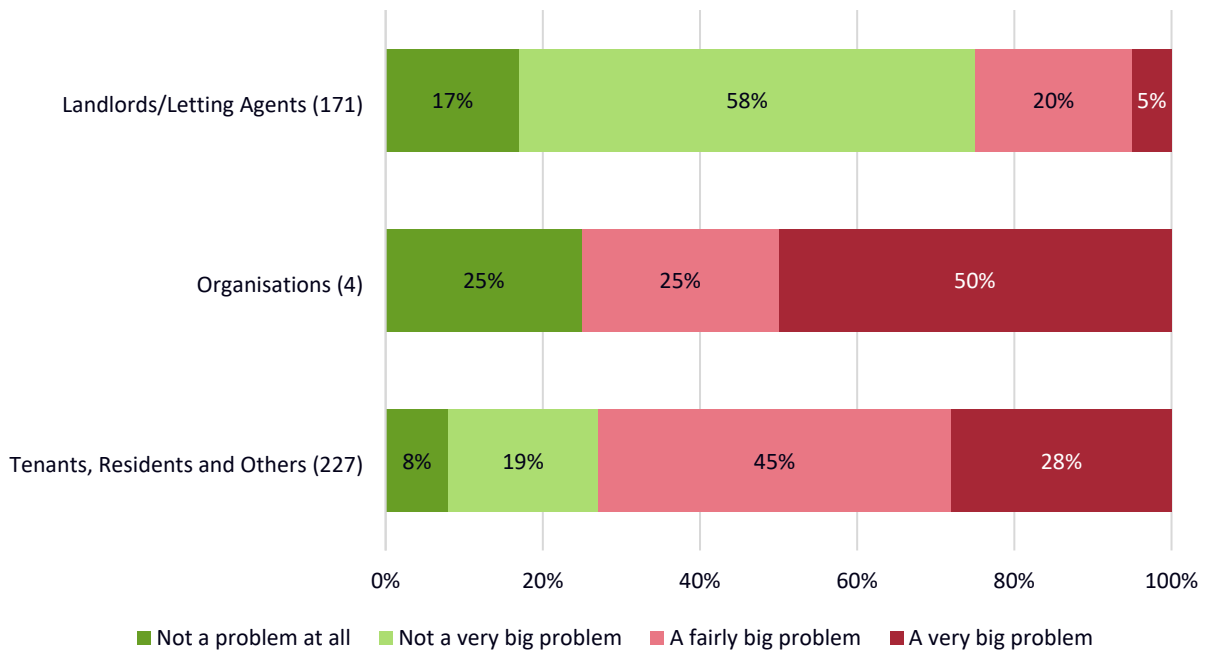
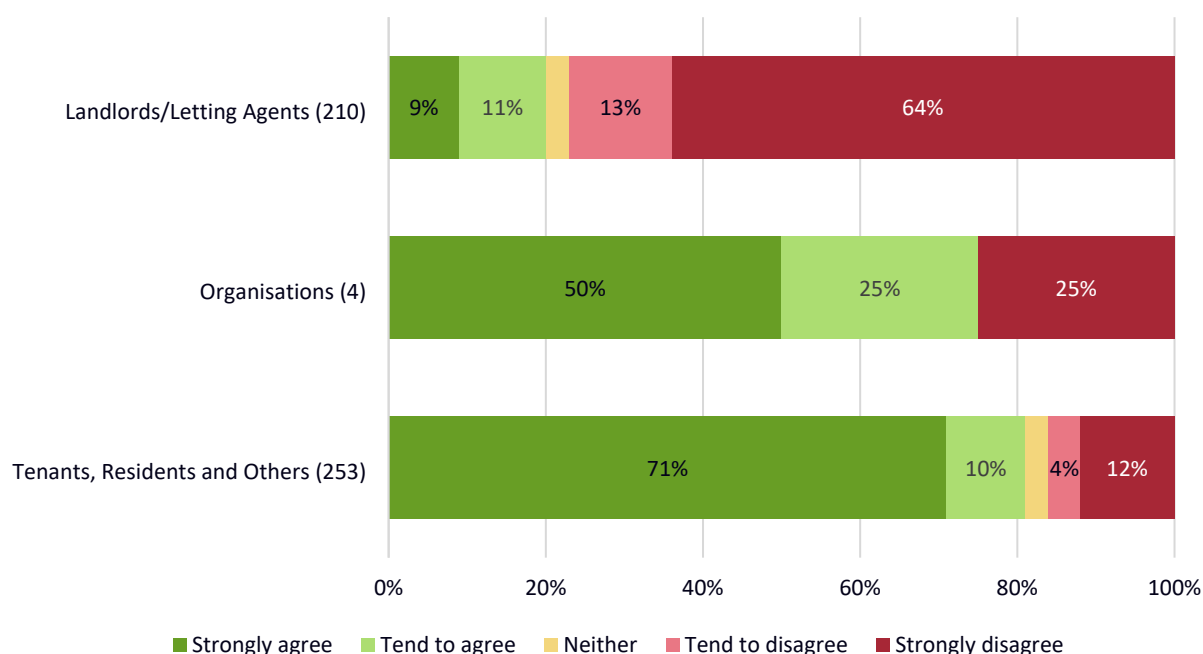


Figure 5: Extent to which *deprivation and/or poverty* is a problem in some areas of Merton



- 10.17 A quarter (25%) of landlords/letting agents thought that deprivation and/or poverty was either 'a fairly big problem' or 'a very big problem' in some areas of Merton. This increased to just under three-quarters (74%) for tenants/residents/others. See fig 5.
- 10.18 Organisations were also more likely to think that this was a problem with three-quarters (75%) stating that it was either a fairly or very big problem (NB based only on 4 cases).
- 10.19 Tenants/residents owning their home and living in Merton were more likely to consider deprivation and/or poverty a problem, with just under eight-in-ten (79%) saying they thought it was either 'a fairly big problem' or 'a very big problem' compared to 57% of those renting from a private landlord.
- 10.20 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were more likely to consider this a problem, 29%, compared to just 17% of those owning/managing two or more properties.

Figure 6: Agreement with the proposal to introduce some form of Additional Licensing of HMOs in parts of Merton

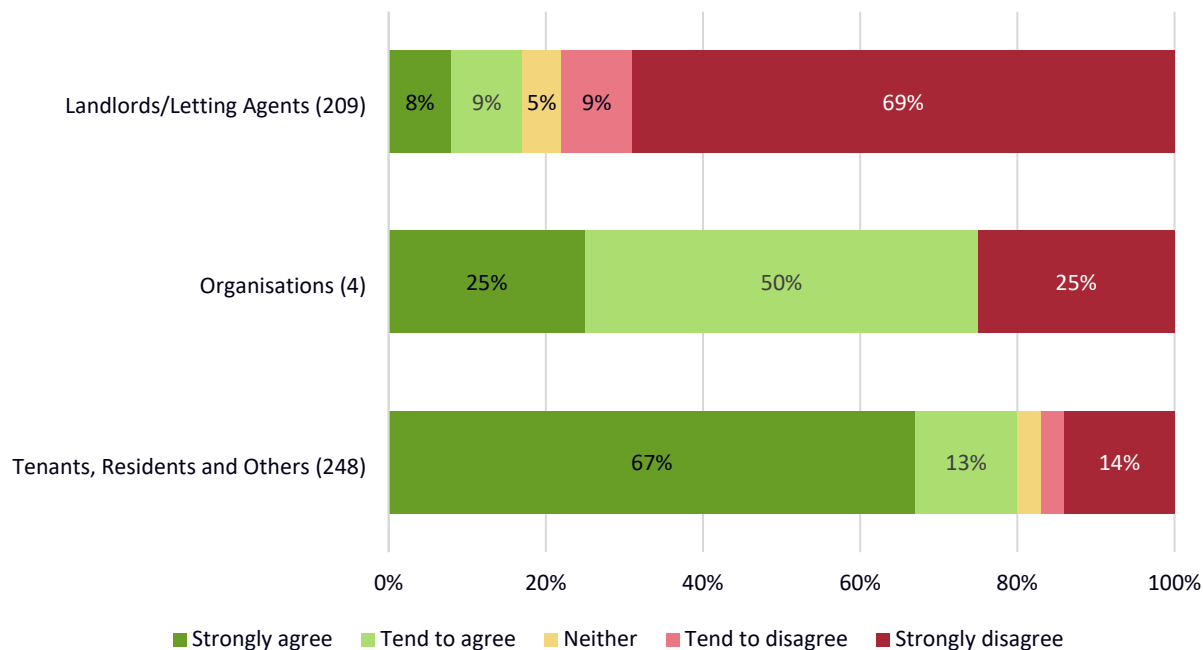


- 10.21 Only one-in-five landlords/letting agents (20%) agreed with the proposal to introduce some form of Additional Licensing of HMOs in parts of Merton, but over three-quarters (77%) disagreed, with 64% disagreeing strongly. Tenants/residents/others however were far more likely to agree with over four-in-five (81%) saying they either 'strongly agree' or 'tend to agree' and only 16% in disagreement. See fig 6.

10.22 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement. It is worth noting that the results for organisations are only based on 4 cases.

10.23 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with over eight-in-ten (86%) saying they either 'strongly agree' or 'tend to agree' compared to just over two-thirds (69%) of those renting from a private landlord.

Figure 7: Agreement with the Council's proposal to introduce an Additional Licensing scheme covering the specific seven wards

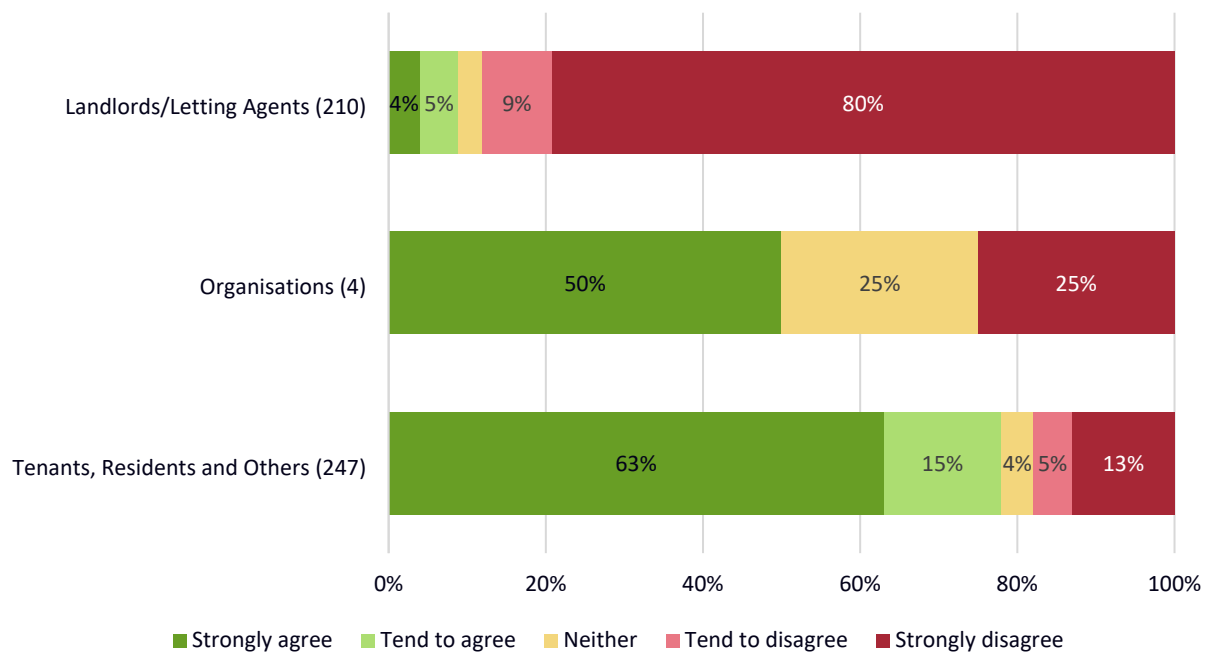


10.24 Just under a fifth (17%) of landlords/letting agents were in agreement with the Council's proposal to introduce this scheme covering seven particular wards, but nearly four-fifths (78%) disagreed, with 69% disagreeing strongly. Tenants/residents/others were far more supportive, with four-fifths (80%) in agreement and only 17% in disagreement. See fig 7.

10.25 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement (NB based only on 4 cases).

10.26 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with over eight-in-ten (85%) saying they either 'strongly agree' or 'tend to agree' compared to two-thirds (66%) of those renting from a private landlord.

Figure 8: Agreement with the Council’s proposal to introduce some form of Selective Licensing scheme in parts of Merton



10.27 Only 9% of landlords/letting agents were in agreement with the Council’s proposal to some form of Selective Licensing scheme in parts of Merton, but nearly nine-in-ten (89%) disagreed, with 80% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (78%) in agreement and only 19% in disagreement. See fig 8.

10.28 Half (50%) of the 4 organisations were in agreement, although this is only based on 4 cases.

10.29 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with just over eight-in-ten (83%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under two-thirds (65%) of those renting from a private landlord.

10.30 Just over a tenth (11%) of landlords/letting agents were in agreement with the Council’s proposal to introduce this scheme covering four particular wards, but over four-fifths (85%) disagreed, with 71% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (78%) in agreement and only 18% in disagreement. See fig 9.

10.31 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement, though this is only based on 4 cases.

10.32 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with just over eight-in-ten (83%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under two-thirds (65%) of those renting from a private landlord.

Figure 9: Agreement with the Council’s proposal to introduce a Selective Licensing scheme covering these four wards

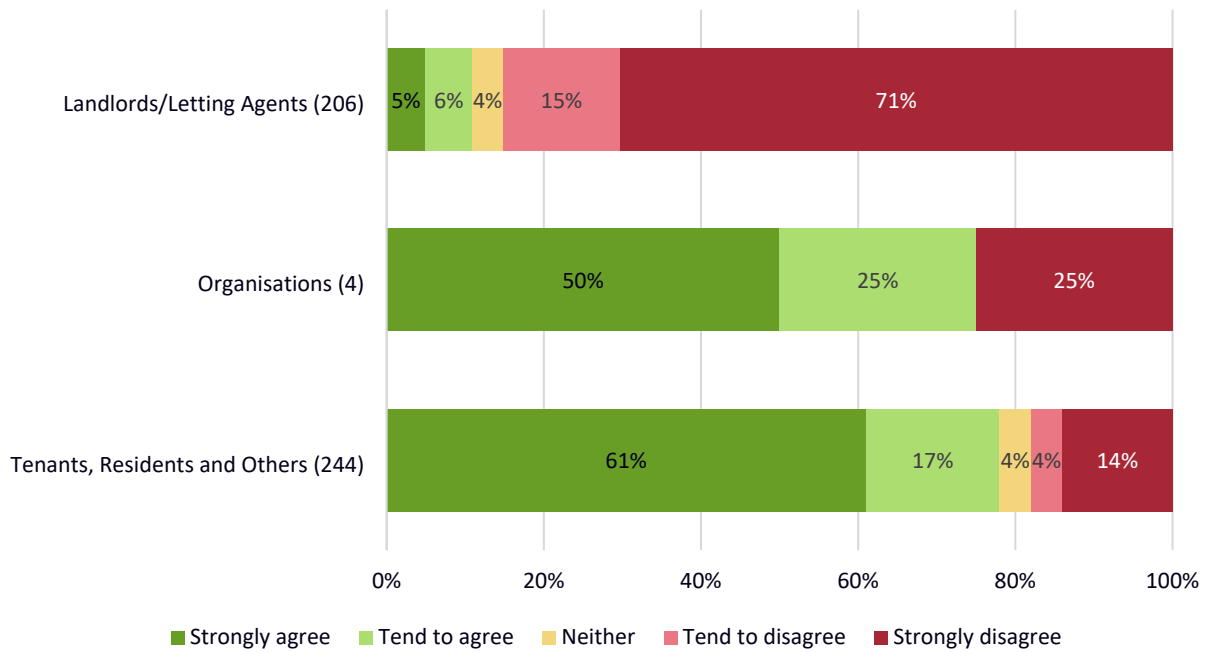
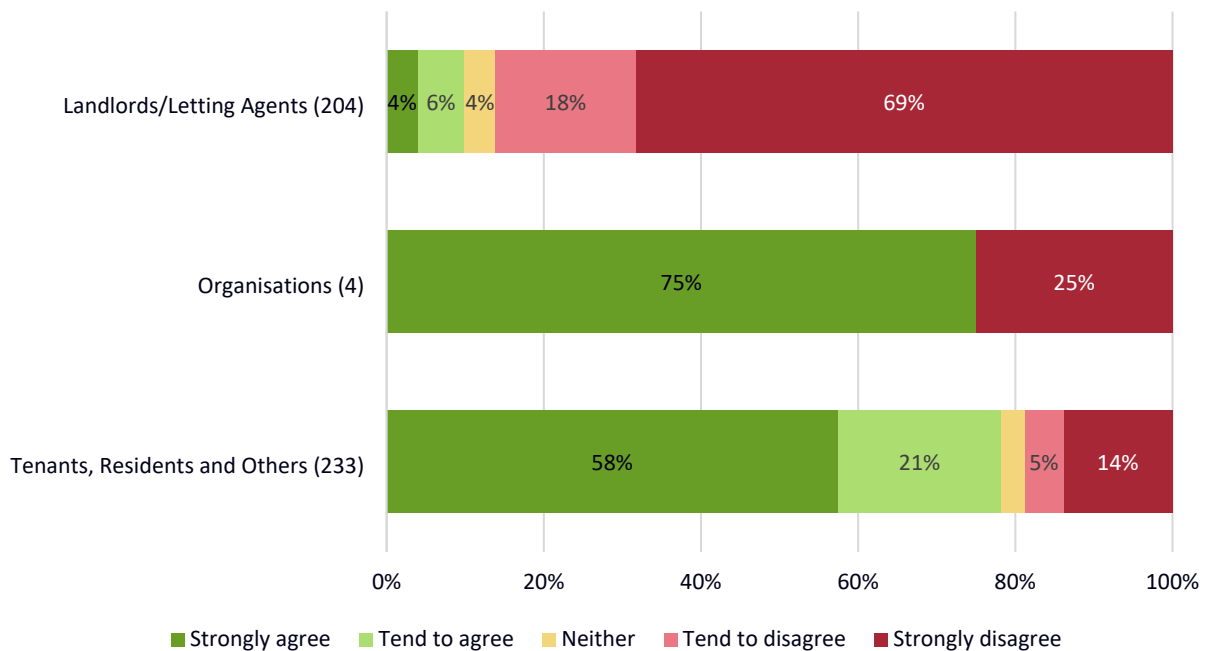


Figure 10: Agreement that the proposed licensing schemes would contribute towards the Council’s objectives of reducing problems with ASB and improving property conditions and management

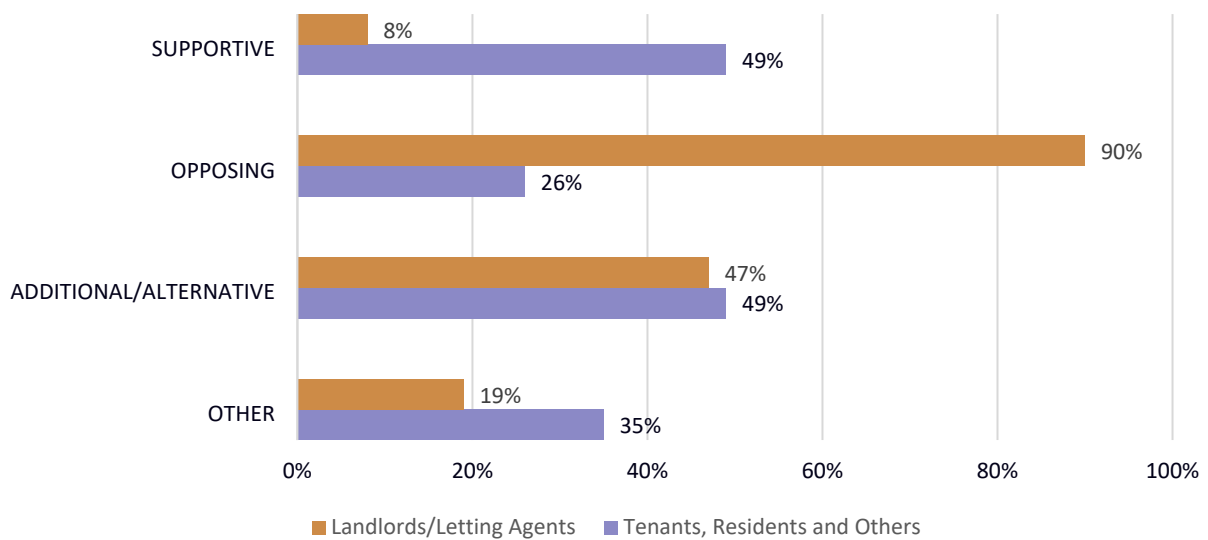


10.33 Only a tenth (10%) of landlords/letting agents were in agreement that the proposed licensing schemes would contribute towards the Council’s objectives of reducing problems with ASB and improving property conditions and management, whereas over four-fifths (86%) disagreed, with 69% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (79%) in agreement and only 18% in disagreement.

- 10.34 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement (NB based only on 4 cases).
- 10.35 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with over eight-in-ten (84%) saying they either 'strongly agree' or 'tend to agree' compared to two-thirds (66%) of those renting from a private landlord.
- 10.36 The following chart (fig 11) provides a high-level summary of the categories of response given to the 'open' question shown below. Not all respondents provided detailed comments, as can be seen from the limited base sizes shown. Percentages may add up to more than 100% because respondents could provide a response falling into more than one category, i.e. they could have a response that mentions something broadly in support of the proposal but also something opposing it. See fig 11.

Please use the space below to provide any comments about the proposed Selective or Additional Licensing schemes, or the areas that they should cover, and explain any alternative approaches to reducing ASB associated with privately rented properties, and/or improving their condition and management, that you think the Council should consider.

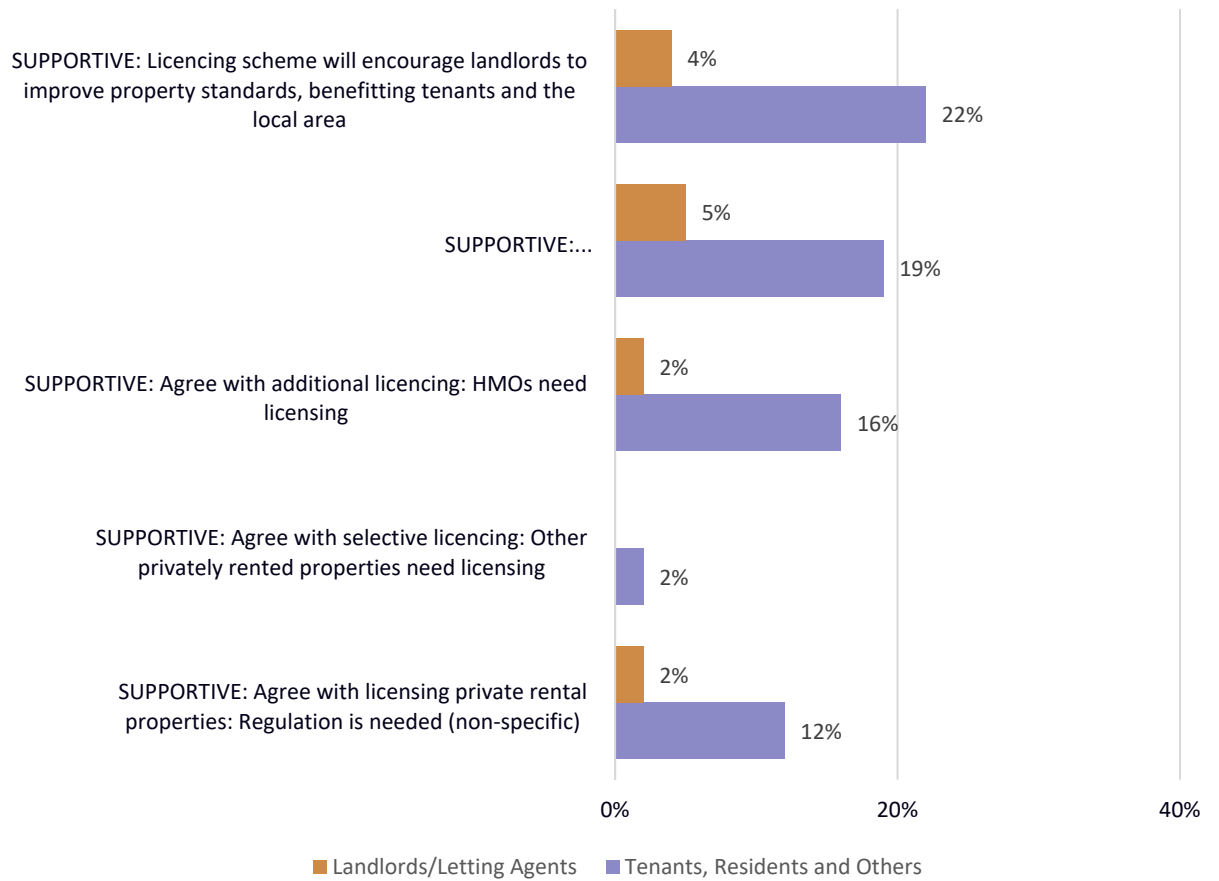
Figure 11: Comments about Proposed Selective or Additional Licensing Schemes - High level summary



Base: Landlords/Letting agents (126 respondents, 206 high-level categories), Tenants, Residents etc (116 respondents, 185 high-level categories)

- 10.37 Nine-in-ten landlords/letting agents (90%) providing a comment said something in their response which opposed the proposed Selective or Additional Licensing schemes, with only 8% saying something in support. Tenants/residents/others were more likely to say something in support of the proposed schemes with nearly half (49%) doing so.
- 10.38 A similar proportion of each stakeholder group were likely to mention an additional/alternative proposal with nearly half of tenants/residents/others (49%) who provided a comment mentioning one in their response, and only slightly fewer (47%) landlords/letting agents mentioning an additional/alternative proposal.
- 10.39 There were only 3 responses from organisations to this question, with a mix of supportive/opposing comments and additional/alternative proposals provided.
- 10.40 The next charts look at the specific things said within these categories in more detail. All percentages in these charts are taken as a proportion from the total giving a comment but have been split over more than one chart for display purposes. Respondents may have said more than one of the things noted in each chart.
- 10.41 For the supportive comments, over one-fifth (22%) of tenants/residents/others providing a comment thought that the licencing scheme will encourage landlords to improve property standards, benefitting tenants and the local area, with a slightly smaller proportion (19%) saying the scheme will need to be properly managed / enforced effectively including regular monitoring/inspections. See fig 12.
- 10.42 One-in-twenty landlords/letting agents (5%) giving a supportive response said the scheme will need to be properly managed / enforced effectively including regular monitoring/inspections.
- 10.43 Nearly two-fifths (38%) of landlords/letting agents giving an opposing response (see fig 13) had concerns that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness, with a slightly smaller proportion (36%) saying licencing will punish/negatively affect good landlords.
- 10.44 Just over a tenth (11%) of tenants/residents/others providing a comment thought the fee will increase rent, passing the cost onto tenants and one-in-ten (10%) thought that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness.

Figure 12: Comments about Proposed Selective or Additional Licensing Schemes – The supportive responses



Base: Landlords/Letting agents (126 respondents), Tenants, Residents and others (116 respondents)

Figure 13: Comments about Proposed Selective or Additional Licensing Schemes – The opposing responses

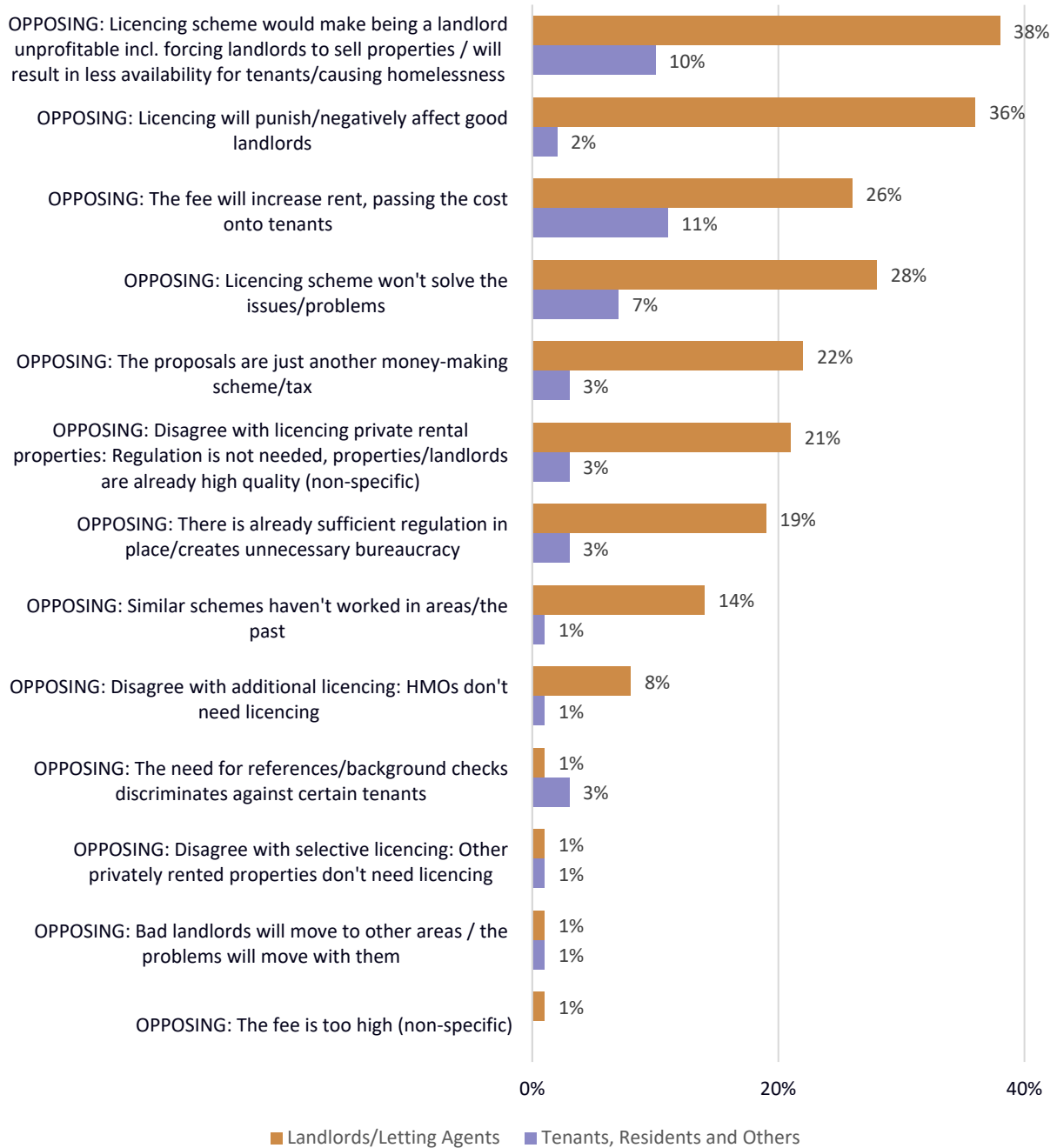
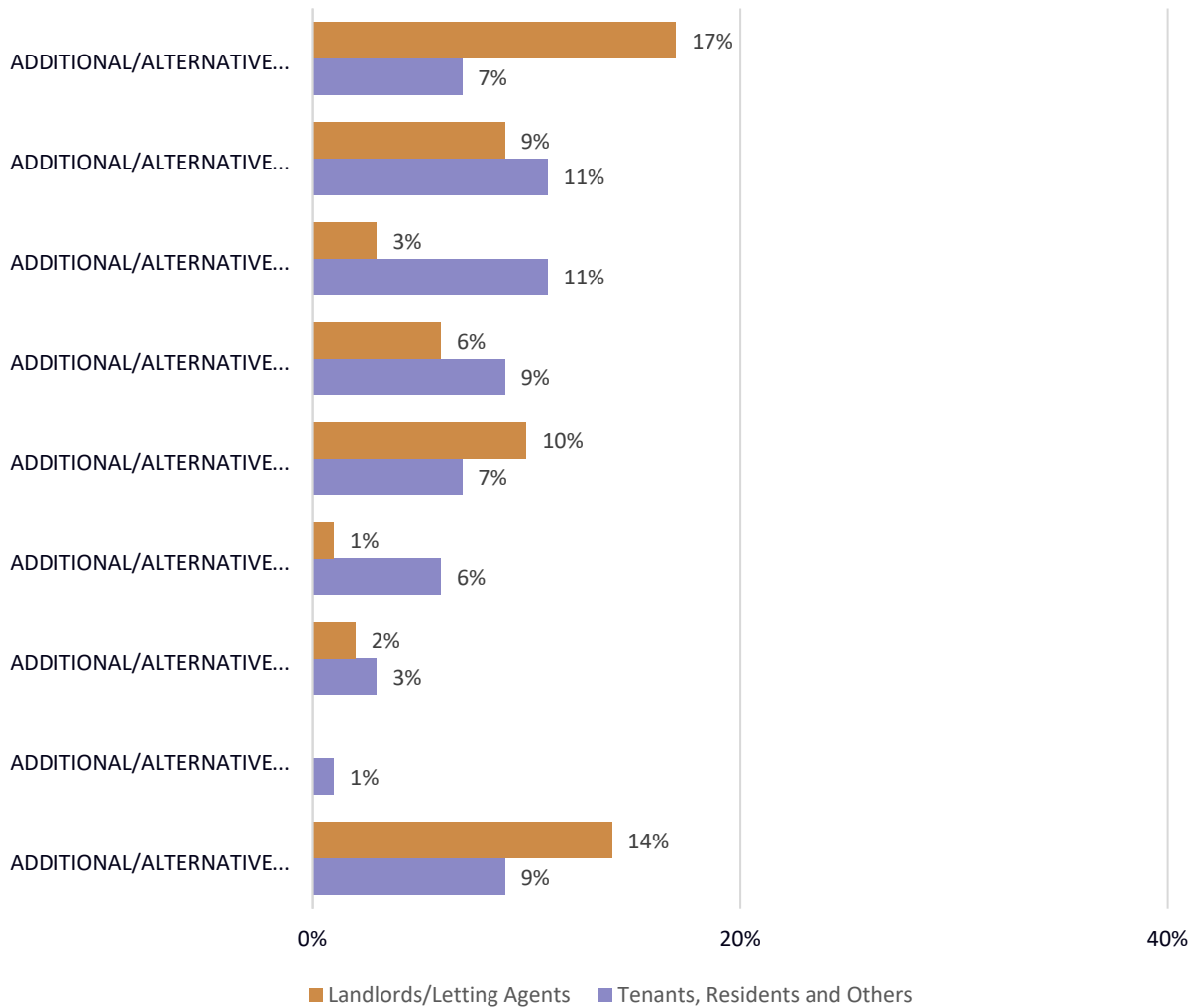


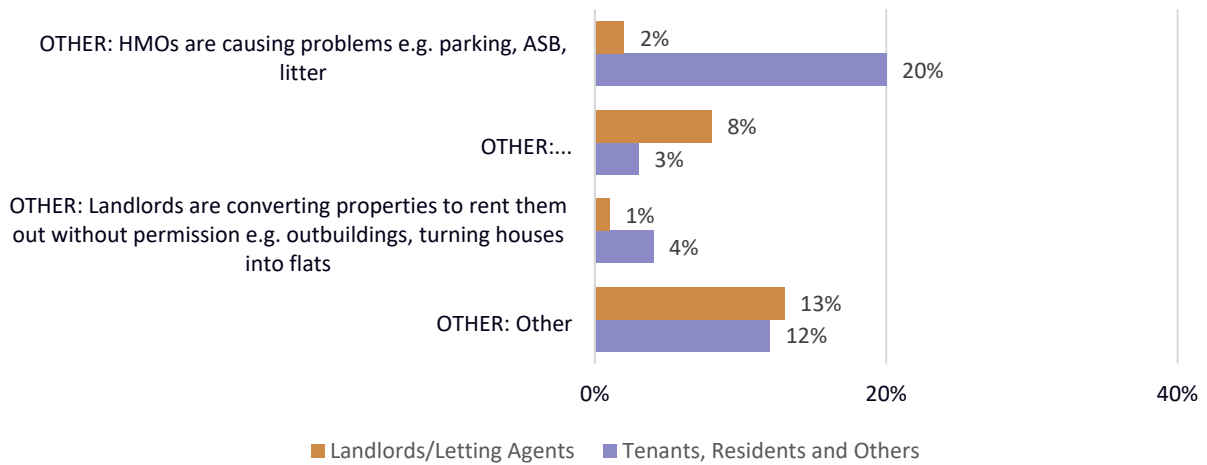
Figure 14: Comments about Proposed Selective or Additional Licensing Schemes – The additional/alternative responses



10.45 Just under a fifth (17%) of landlords/letting agents providing a comment mentioned that licencing should only target bad landlords including landlords with high numbers of complaints and one-in-ten (10%) giving a response suggested that the Council should focus on problems with social housing, e.g. housing association and Council housing.

10.46 Just over one-in-ten (11%) of tenants/residents/others giving a response suggested that a robust system for reporting problem landlords/tenants needs to be in place, with the same proportion saying that the whole of the borough/Merton should be included.

Figure 15: Comments about Proposed Selective or Additional Licensing Schemes – Other responses



Base: Landlords/Letting agents (126 respondents), Tenants, Residents and others (116 respondents)

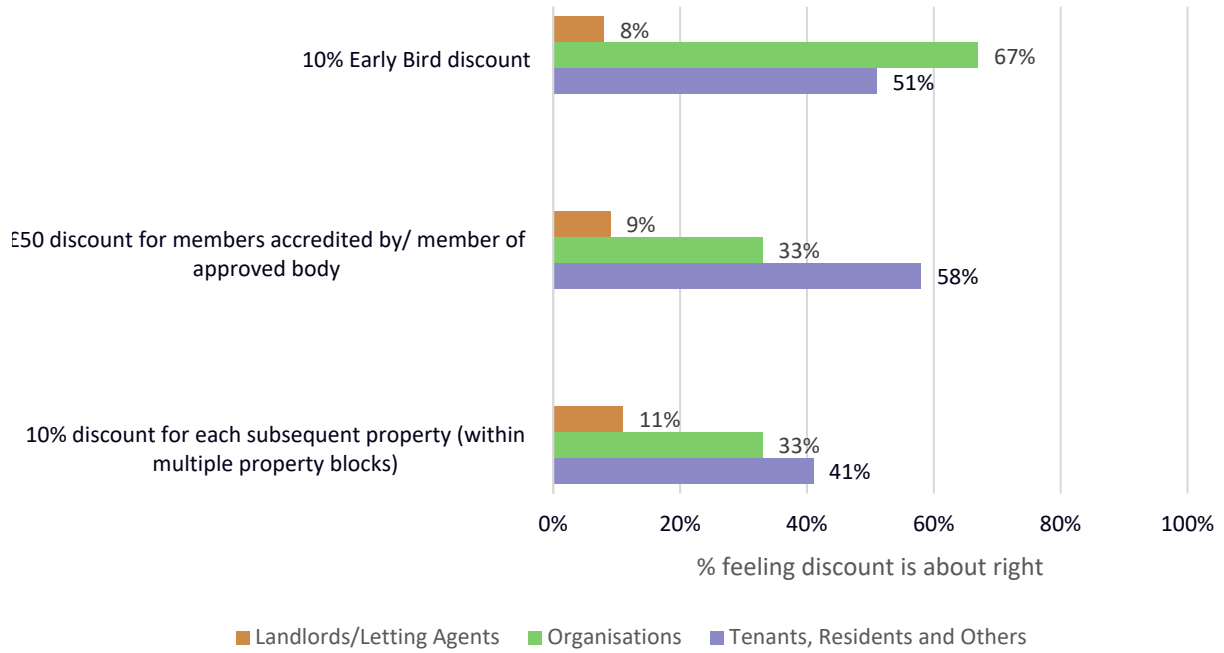
10.47 The figure above (fig 15) summarises the other type of comments provided not falling into any of the previous categories of response.

10.48 Whilst the above themes cover the majority of points made by respondents in relation to this question, a few comments raised more specific points, which can be seen in full in ORS’s Final Report on the consultation website www.merton.gov.uk/prsconsultation.

Please share your views on the proposed level of discount by indicating whether you feel each discount is too large, about right, or too small.

10.49 Views as to whether proposed levels of discount were too large, about right, or too small vary according to the discount proposed and the type of stakeholder. The following figure (fig 16) summarises how each stakeholder type feels about each discount proposed by providing an overview of the proportions of respondents saying that each potential discount is ‘about right’.

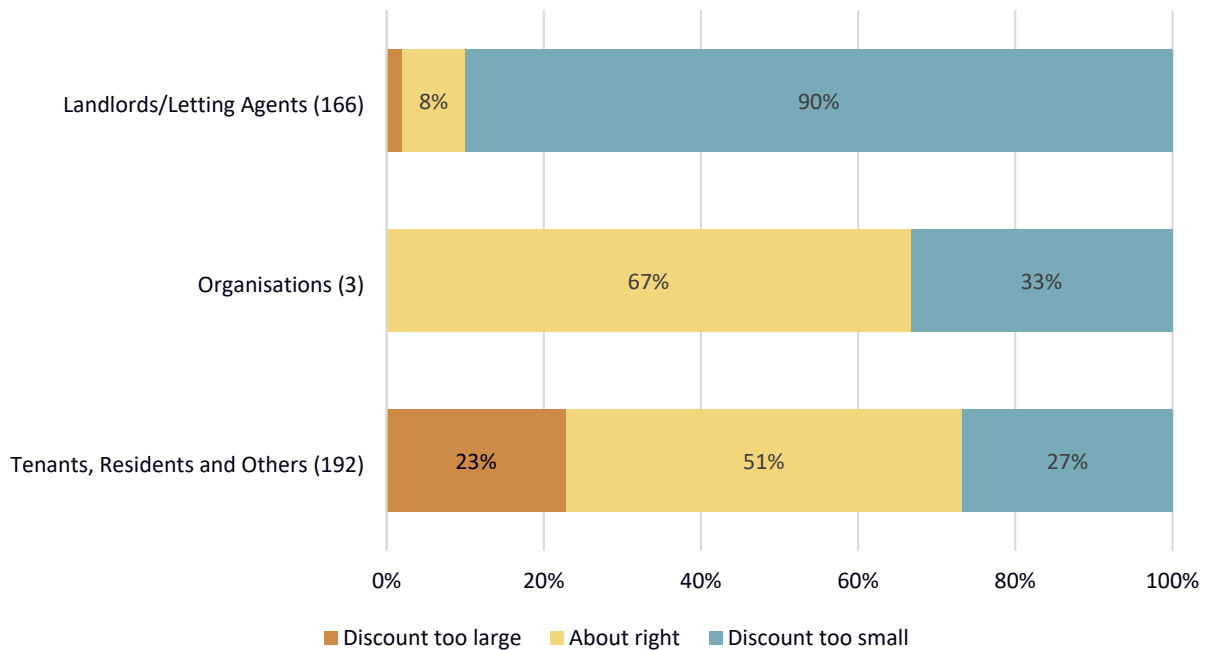
Figure 16: Proportion feeling discount type is about right - High level summary



10.50 It is clear that landlords/letting agents are less likely to feel that any of these discount types are about right compared to other stakeholder groups. It is worth noting that the results for organisations are only based on 3 cases.

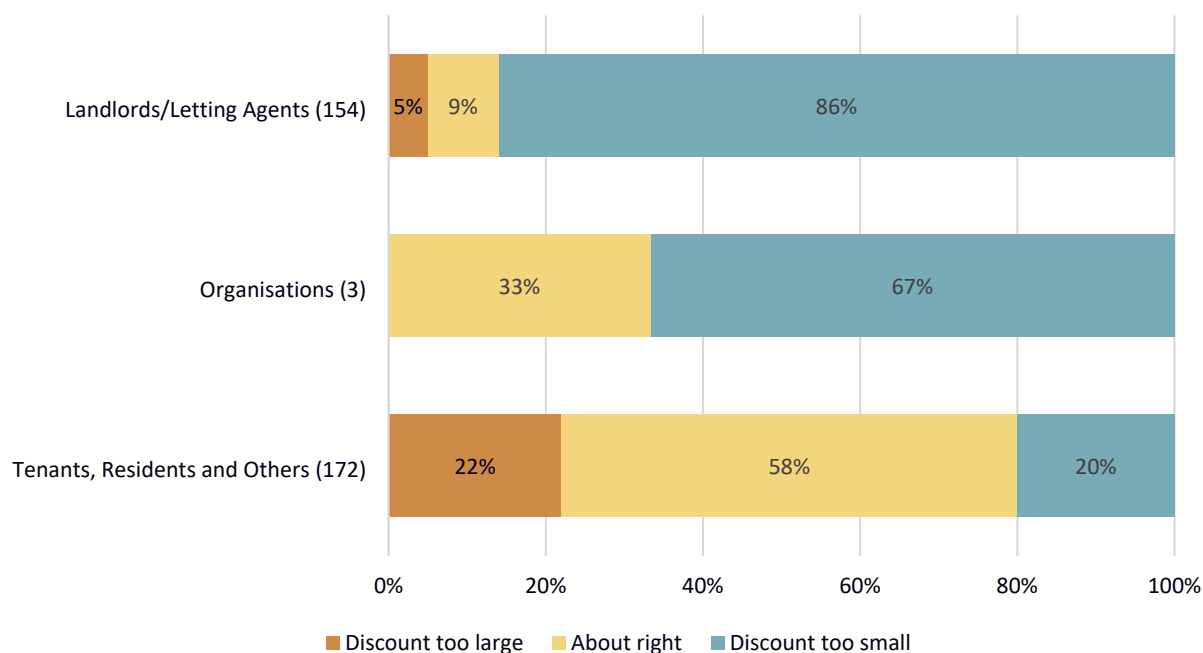
10.51 A more detailed summary, showing the proportions of respondents selecting each response option and the number of respondents giving a valid answer within each sub-group, is provided in Figure 17 through to Figure 19.

Figure 17: Views on a 10% discount for 'Early Bird' applications made in the first two months of the scheme



- 10.52 Less than one-in-ten (8%) landlords/letting agents felt that a 10% discount for ‘Early Bird’ applications made in the first two months of the scheme was about right, whereas nine-in-ten (90%) felt the discount was too small. Tenants/residents/others however were more likely to feel this was the right amount of discount, with just over half (51%) selecting this option. Organisations were also more likely to feel that this discount was about right with two-thirds (67%) saying this. However, it is worth noting that the results for organisations are only based on 3 cases.
- 10.53 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were more likely to feel this was the right amount of discount, with around one-in-eight (13%) saying this, compared to just 4% of those owning/managing two or more properties.

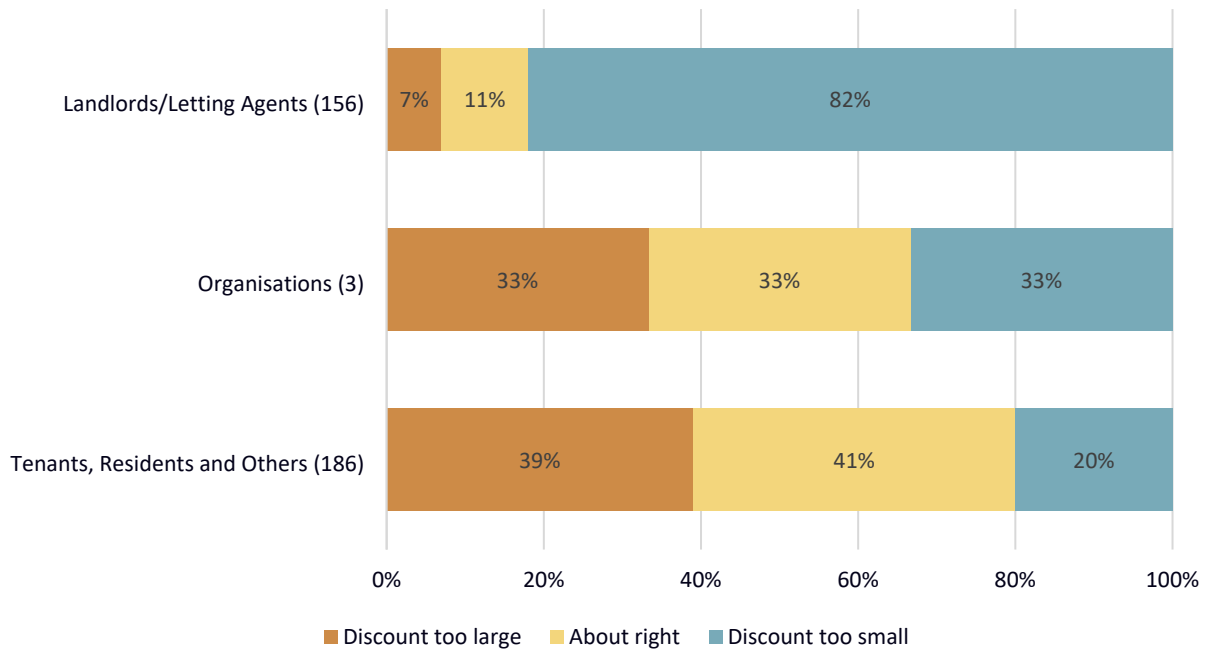
Figure 18: Views on a discount of £50 for applicants that are accredited by, or a member of, an approved body



- 10.54 Less than one-in-ten (9%) landlords/letting agents felt that a discount of £50 for applicants that are accredited by, or a member of, an approved body was about right, whereas more than eight-in-ten (86%) felt the discount was too small. Tenants/residents/others however were more likely to feel this was the right amount of discount, with nearly six-in-ten (58%) selecting this option.
- 10.55 A third (33%) of organisations said they felt that this discount was about right (NB based only on 3 cases).

10.56 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were more likely to feel this was the right amount of discount, with around one-in-eight (13%) saying this, compared to 7% of those owning/managing two or more properties.

Figure 19: Views on a 10% discount for each subsequent property (after the first property) within a multiple property single block



Please share your views on the proposed Additional HMO and Selective Licensing fees by indicating whether you feel each fee is too high, about right, or too low.

Fees for a licence issued for up to 5 years

10.57 Views as to whether proposed Additional HMO and Selective Licensing fees were too high, about right, or too low vary according to the type of license asked about and the type of stakeholder responding. The following figure summaries how each stakeholder type feels about each license fee proposed by providing an overview of the proportions of respondents saying that each potential fee is 'about right'.

Figure 20: Proportion feeling licence fee is about right - High level summary

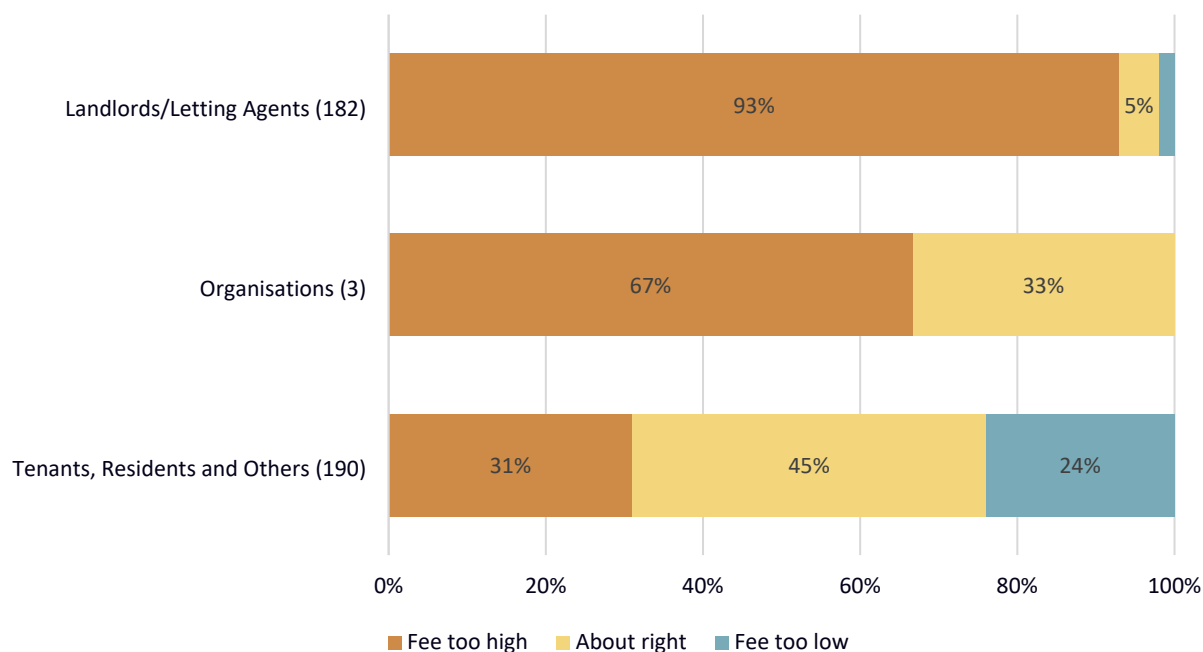


10.58 It is clear that landlords/letting agents are less likely to feel that any of these licence fees are about right compared to other stakeholder groups.

10.59 It is worth noting that the results for organisations are only based on between 2 and 3 cases across the different type of licenses.

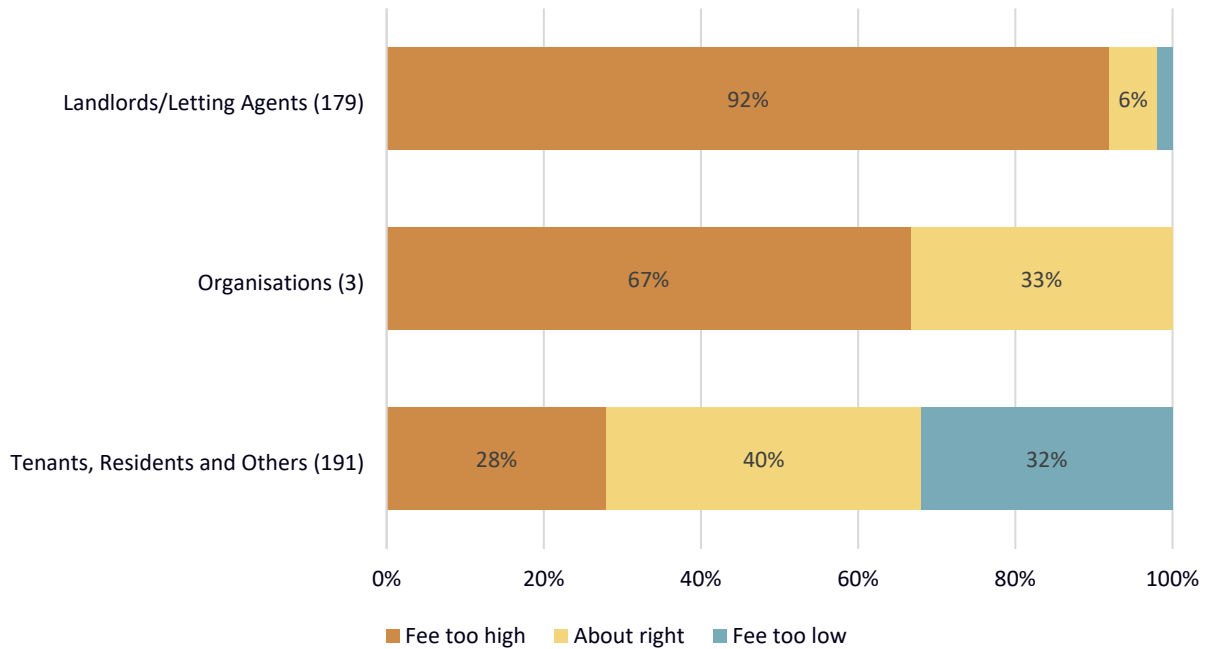
10.60 A more detailed summary, showing the proportions of respondents selecting each response option and the number of respondents giving a valid answer within each sub-group, is provided in fig 21 through to fig 24.

Figure 21: Views on £1,115 for a HMO licence for properties with 2 bedrooms



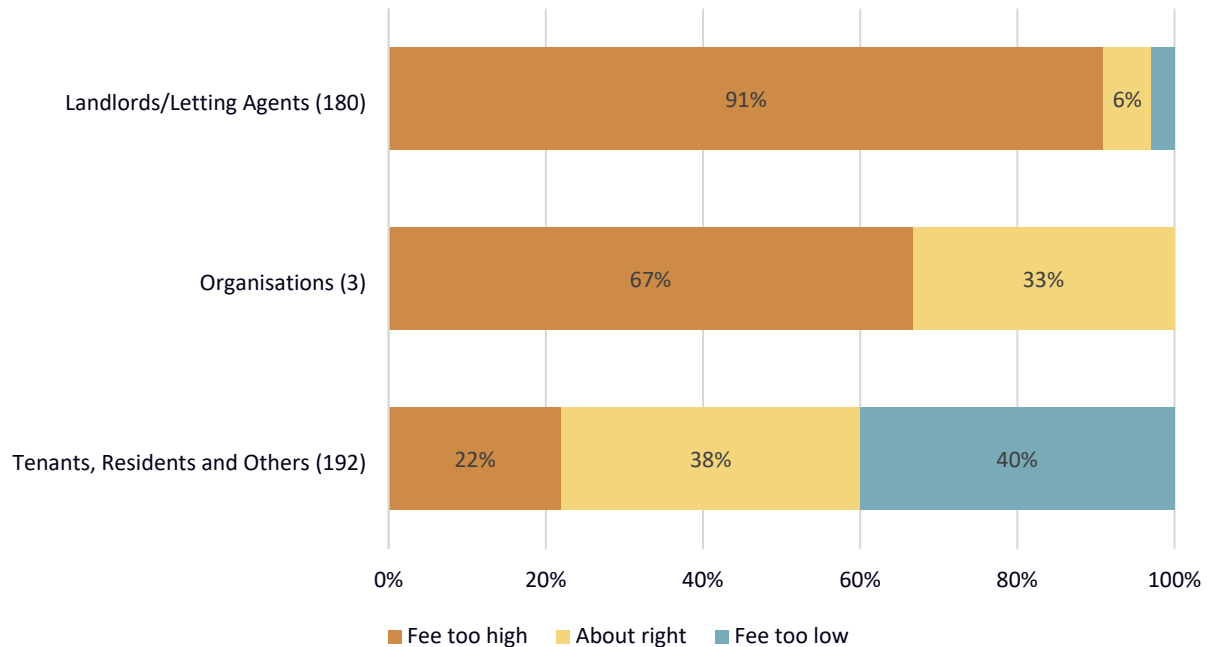
- 10.61 Only one-in-twenty landlords/letting agents felt that a fee of £1,115 for an HMO licence for properties with 2 bedrooms (issued for up to 5 years) was about right, whereas over nine-in-ten (93%) felt the fee was too high. Tenants/residents/others however were more likely to feel this was the right amount for this fee, with over four-in-ten (45%) selecting this option.
- 10.62 Organisations were also more likely to feel that this fee was about right with a third (33%) saying this. However, it is worth noting that the results for organisations are only based on just 3 cases.
- 10.63 Of tenants/residents living in Merton, a similar proportion of those owning their home and renting from a private landlord felt that a fee of £1,115 for an HMO licence for properties with 2 bedrooms (issued for up to 5 years) was about right, with 44% and 45% saying this respectively. However, those renting from a private landlord were more likely to feel this amount was too high with over four-in-ten (41%) giving this option compared to just under three-in-ten (29%) of those owning their home.
- 10.64 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of fee, with only 2% saying this, compared to 12% of those owning/managing two or more properties.

Figure 22: Views on £1,165 for an HMO licence for properties with 3 bedrooms



- 10.65 Only just over one-in-twenty (6%) landlords/letting agents felt that a fee of £1,165 for an HMO licence for properties with 3 bedrooms (issued for up to 5 years) was about right, whereas over nine-in-ten (92%) felt the fee was too high. Tenants/residents/others however were more likely to feel this was the right amount for this fee, with four-in-ten (40%) selecting this option.
- 10.66 Organisations were also more likely to feel that this fee was about right with a third (33%) saying this (NB based only on 3 cases).
- 10.67 Of tenants/residents living in Merton, four-in-ten (40%) of those owning their home felt that a fee of £1,165 for an HMO licence for properties with 3 bedrooms (issued for up to 5 years) was about right, whilst fewer (34%) renting from a private landlord gave this option. A greater proportion of those renting from a private landlord were more likely to feel this amount was too high with over four-in-ten (45%) giving this option compared to around a quarter (24%) of those owning their home.
- 10.68 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of fee, with only 7% saying this, compared to 12% of those owning/managing two or more properties.

Figure 23: Views on £1,215 for an HMO licence for properties with 4 bedrooms



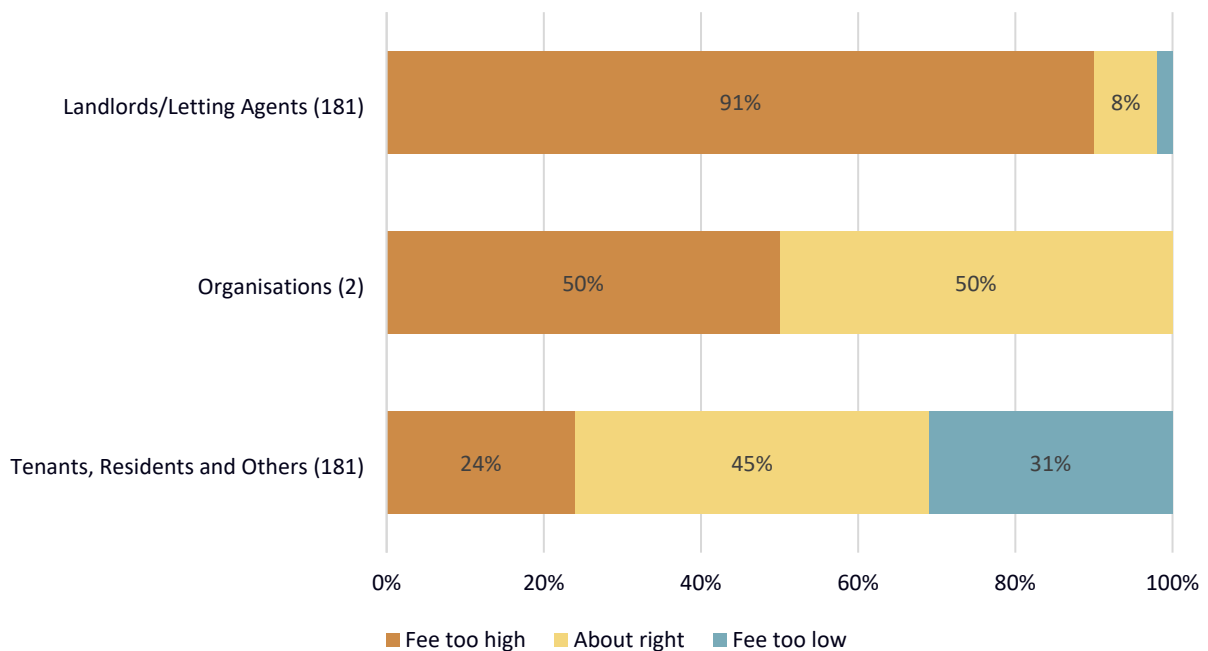
10.69 Only just over one-in-twenty (6%) landlords/letting agents felt that a fee of £1,215 for an HMO licence for properties with 4 bedrooms (issued for up to 5 years) was about right, whereas just over nine-in-ten (91%) felt the fee was too high. Tenants/residents/others however were more likely to feel this was the right amount for this fee, with just under four-in-ten (38%) selecting this option.

10.70 Organisations were also more likely to feel that this fee was about right with a third (33%) saying this (NB based only on 3 cases).

10.71 Of tenants/residents living in Merton, a similar proportion of those owning their home and renting from a private landlord felt that a fee of £1,215 for an HMO licence for properties with 4 bedrooms (issued for up to 5 years) was about right, with 37% and 33% saying this respectively. However, those renting from a private landlord were more likely to feel this amount was too high with four-in-ten (40%) giving this option compared to under one-fifth (18%) of those owning their home.

10.72 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of fee, with only 2% saying this, compared to 12% of those owning/managing two or more properties.

Figure 24: Views on £652 for a Selective Licence



10.73 Just under one-in-ten (8%) landlords/letting agents felt that a fee of £652 for a Selective Licence (issued for up to 5 years) was about right, whereas just over nine-in-ten (91%) felt the fee was too high. Tenants/residents/others however were more likely to feel this was the right amount for this fee, with over four-in-ten (45%) selecting this option.

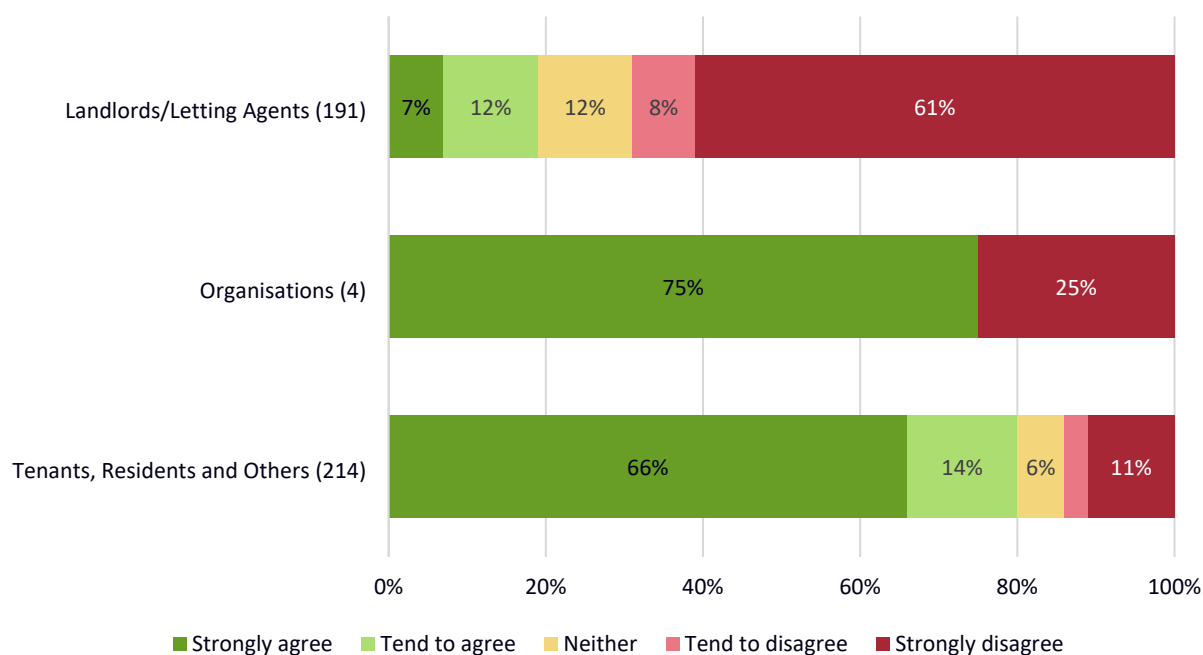
10.74 Of tenants/residents living in Merton, a similar proportion of those owning their home and renting from a private landlord felt that a fee of £652 for a Selective Licence (issued for up to 5 years) was about right, with 44% and 43% saying this, respectively. However, those renting from a private landlord were more likely to feel this amount was too high with over four-in-ten (43%) giving this option compared to one-fifth (20%) of those owning their home.

10.75 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of fee, with only one-in-twenty (5%) saying this, compared to 8% of those owning/managing two or more properties.

10.76 Questions were then asked about the Conditions that were being applied to the Licences. These were both national conditions required by law (mandatory) and those the Council were proposing under their powers (called discretionary). These varied depending upon whether the licence was for Selective Licence or an Additional Licence.

The Council proposes that any new licensing schemes should include some additional conditions aimed at improving the management of the property, relating to: tenant responsibilities (including anti-social behaviour and the storage and disposal of waste); tenancy and occupancy agreements (covering matters such as the date of commencement, rent, termination, security of tenure, repairs, pets etc); gas and electrical safety certificates/reports; fire safety (detection systems and compliance of furniture/fittings); energy performance certificates and buildings insurance.

Figure 25: Agreement with having conditions such as these for an additional HMO licence

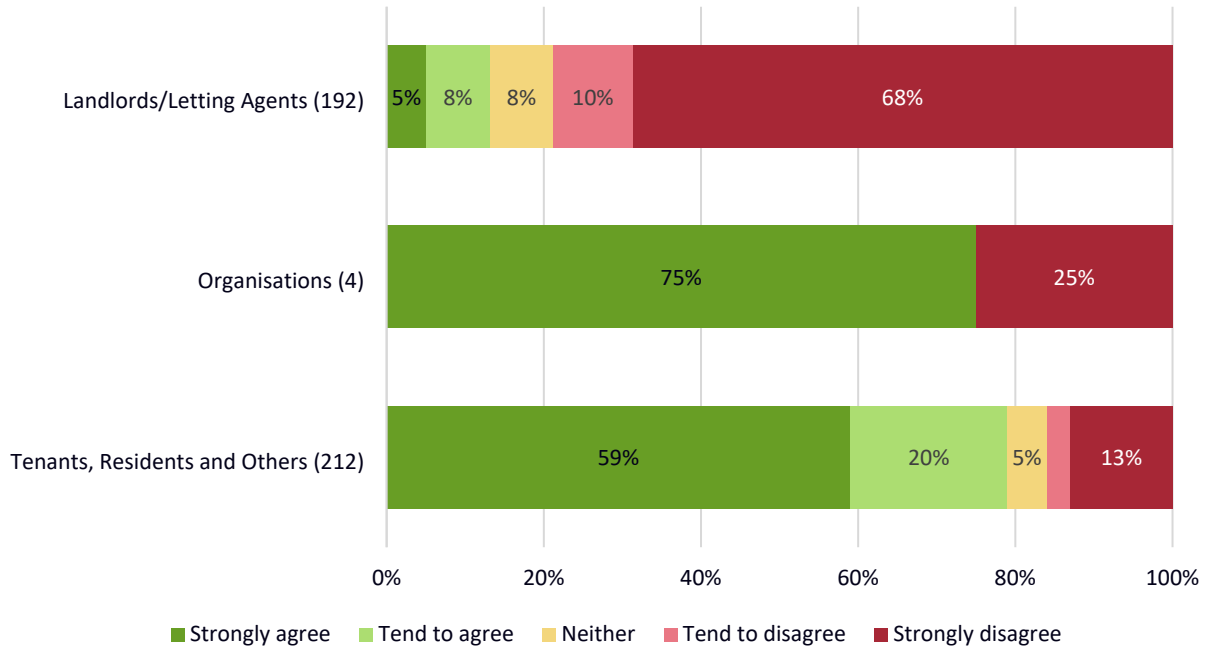


10.77 Just under one-fifth (19%) of landlords/letting agents were in agreement with having conditions such as these for an additional HMO licence, however seven-in-ten (70%) disagreed. Tenants/residents/others were far more supportive, with four-fifths (80%) in agreement and only 14% in disagreement.

10.78 Organisations were also more likely to agree with these conditions with three-quarters (75%) in agreement. It is worth noting that the results for organisations are only based on 4 cases.

10.79 Of tenants/residents living in Merton, those owning their home were more likely to agree with conditions such as these, with over eight-in-ten (87%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under six-in-ten (58%) of those renting from a private landlord.

Figure 26: Agreement with having conditions such as these for a Selective Licence

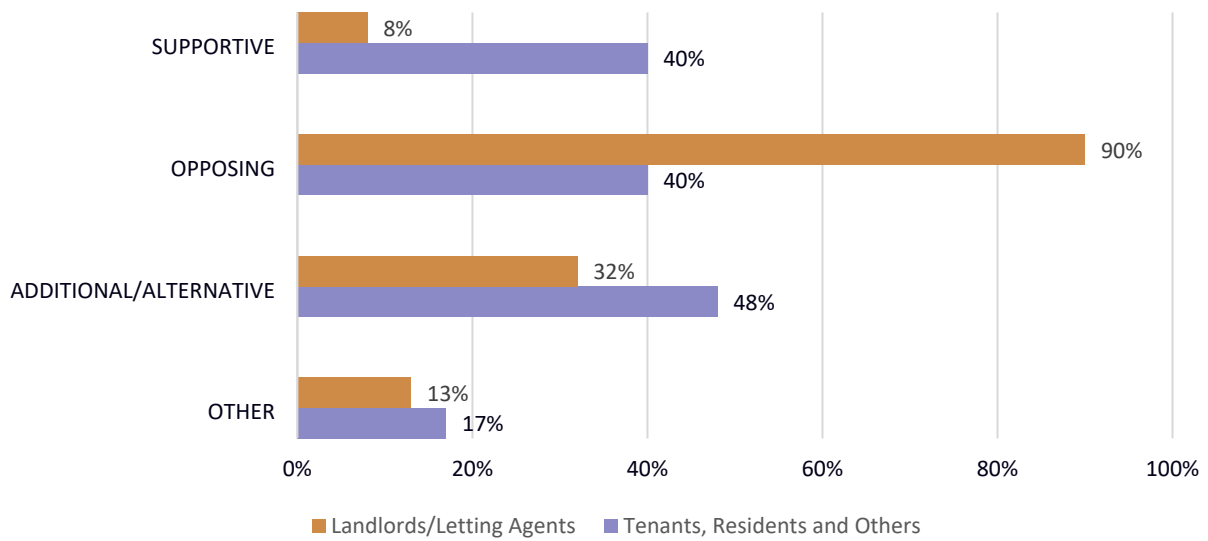


- 10.80 Around one-in-eight (13%) of landlords/letting agents were in agreement with having conditions such as these for a Selective Licence, however nearly eight-in-ten (79%) disagreed.
- 10.81 Tenants/residents/others were far more supportive, with nearly eight-in-ten (79%) in agreement and only 16% in disagreement. Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement (NB based only on 4 cases).
- 10.82 Of tenants/residents living in Merton, those owning their home were more likely to agree with these conditions, with over eight-in-ten (85%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under six-in-ten (58%) of those renting from a private landlord.

Are there any other comments that you would like to make about the licence fees and / or conditions?

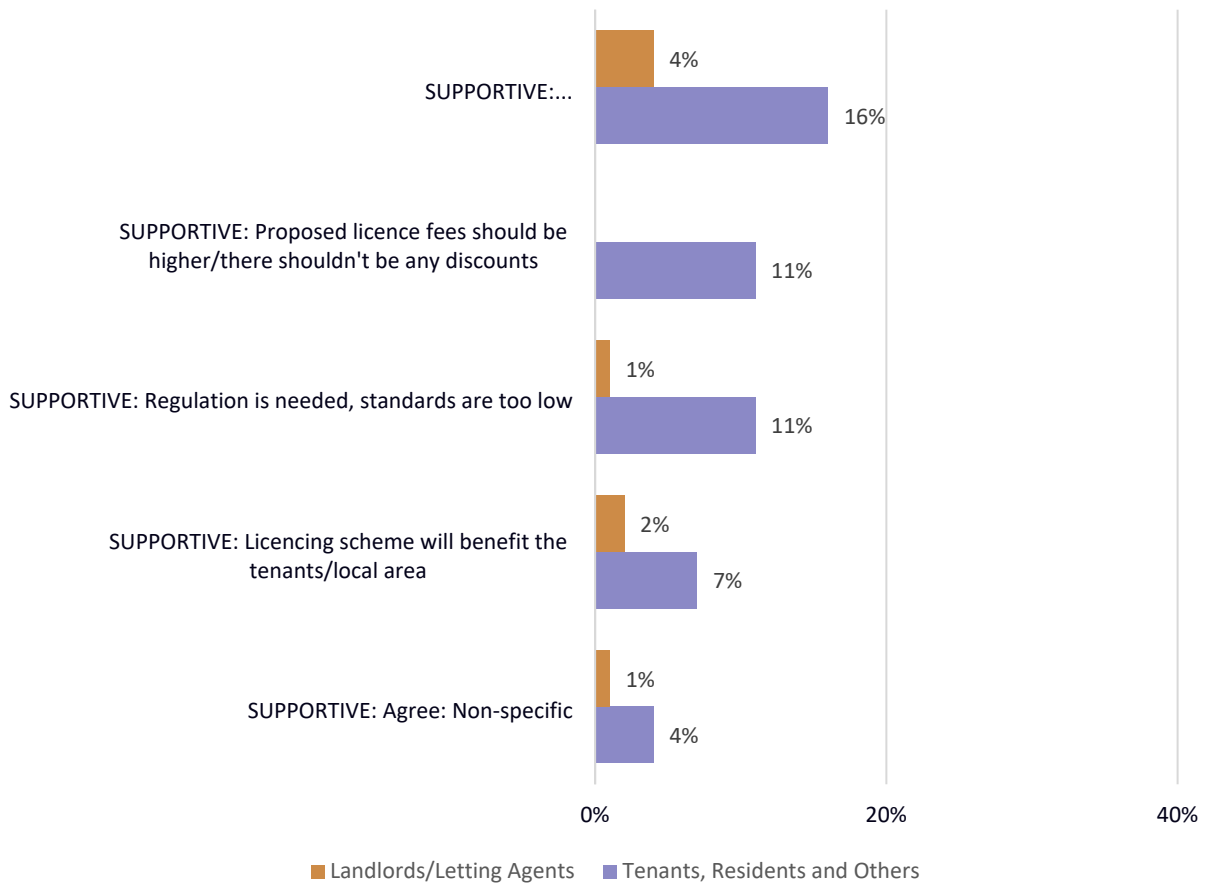
- 10.83 The following chart provides a high-level summary of the categories of response given to the above question. Not all respondents provided detailed comments, as can be seen from the limited base sizes shown. Percentages may add up to more than 100% because respondents could provide a response falling into more than one category, i.e. they could have a response that mentions something broadly in support of the proposal but also something opposing it.

Figure 27: Comments about the Licence Fees and/or Conditions - High level summary



- 10.84 Nine-in-ten (90%) landlords/letting agents providing a comment said something in their response which opposed the proposed licence fees and/or conditions, with only 8% saying something in support. Tenants/residents/others were more likely to say something in support of the proposed licence fees and/or conditions with two-fifths (40%) doing so.
- 10.85 Tenants/residents/others were more likely to mention an additional/alternative proposal with nearly half (48%) who provided a comment mentioning one in their response. This compares to just under a third (32%) of landlords/letting agents mentioning an additional/alternative proposal.
- 10.86 There were only 2 responses from organisations to this question, 1 providing an additional/alternative proposal provided and the other mentioning another type of comment.
- 10.87 The next charts look at the specific things said within these categories in more detail. All percentages in these charts are taken as a proportion from the total giving a comment but have been split over more than one chart for display purposes. Respondents may have said more than one of the things noted in each chart.

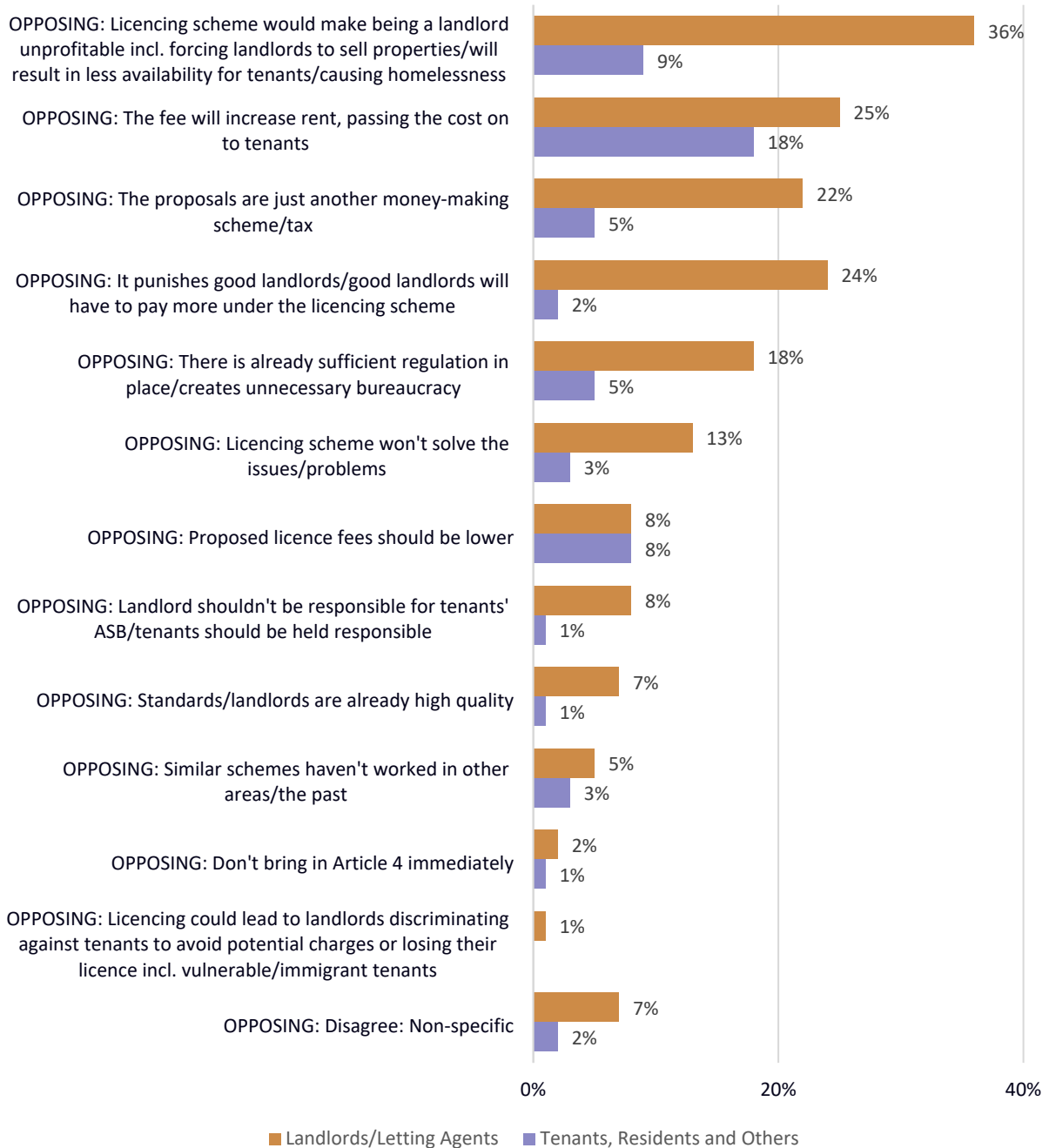
Figure 28: Comments about the Licence Fees and/or Conditions – The supportive responses



Base: Landlords/Letting agents (120 respondents), Tenants, Residents and others (92 respondents)

- 10.88 Around one-in-six (16%) tenants/residents/others providing a comment thought that the scheme will need to be properly managed/enforced efficiently including regular monitoring/inspections, with just over one-in-ten (11%) saying the proposed licence fees should be higher/there shouldn't be any discounts and the same proportion that regulation is needed, standards are too low.
- 10.89 Less than one-in-twenty (4%) landlords/letting agents giving a response said the scheme will need to be properly managed/enforced efficiently including regular monitoring/inspections.

Figure 29: Comments about the Licence Fees and/or Conditions – The opposing responses

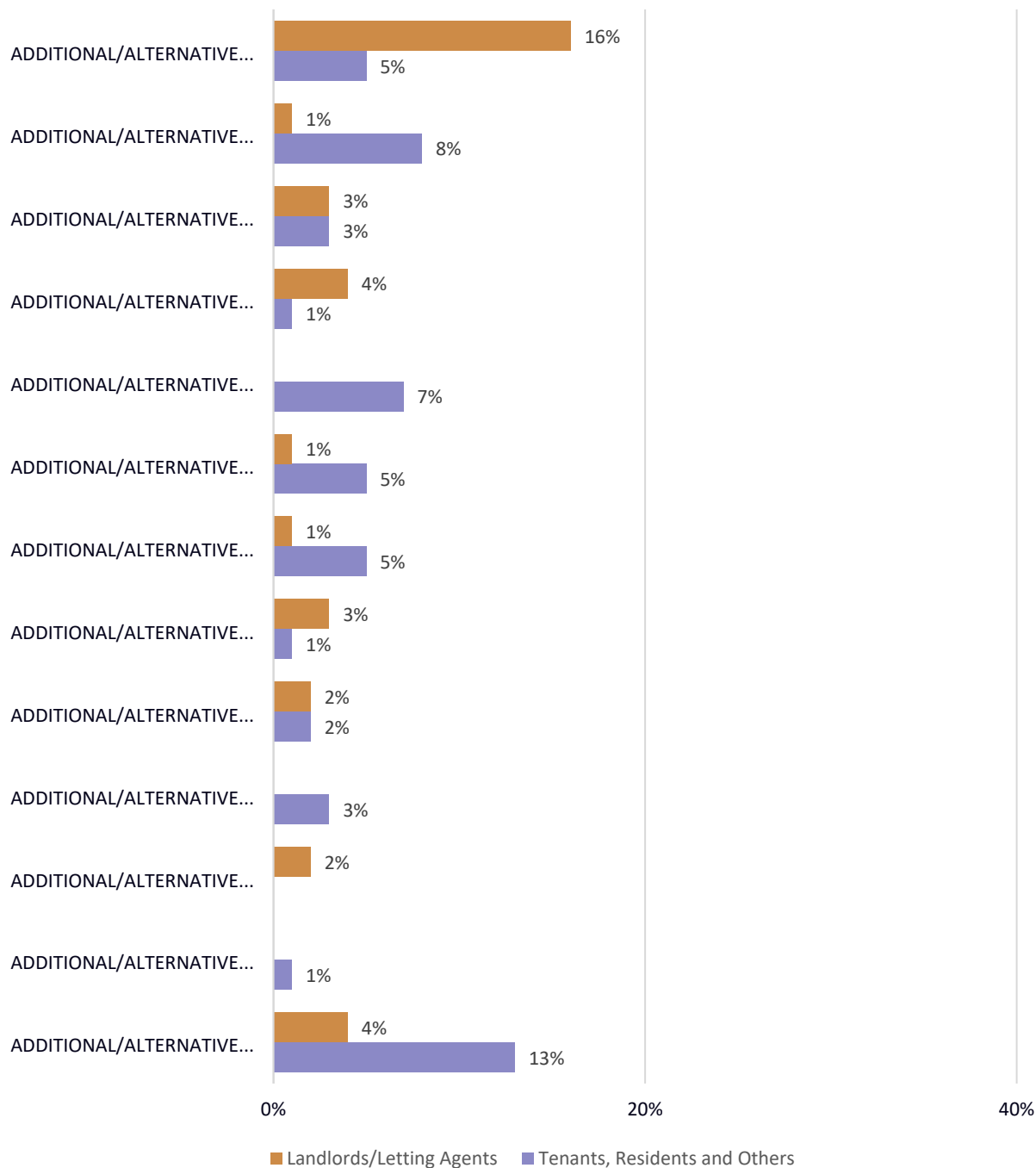


Base: Landlords/Letting agents (120 respondents), Tenants, Residents and others (92 respondents)

10.90 Over a third (36%) of landlords/letting agents giving a response had concerns that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness, with a quarter (25%) saying that the fee will increase rent, passing the cost on to tenants.

10.91 Nearly a fifth (18%) of tenants/residents/others providing a comment thought the fee will increase rent, passing the cost onto tenants and nearly one-in-ten (9%) had concerns that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness.

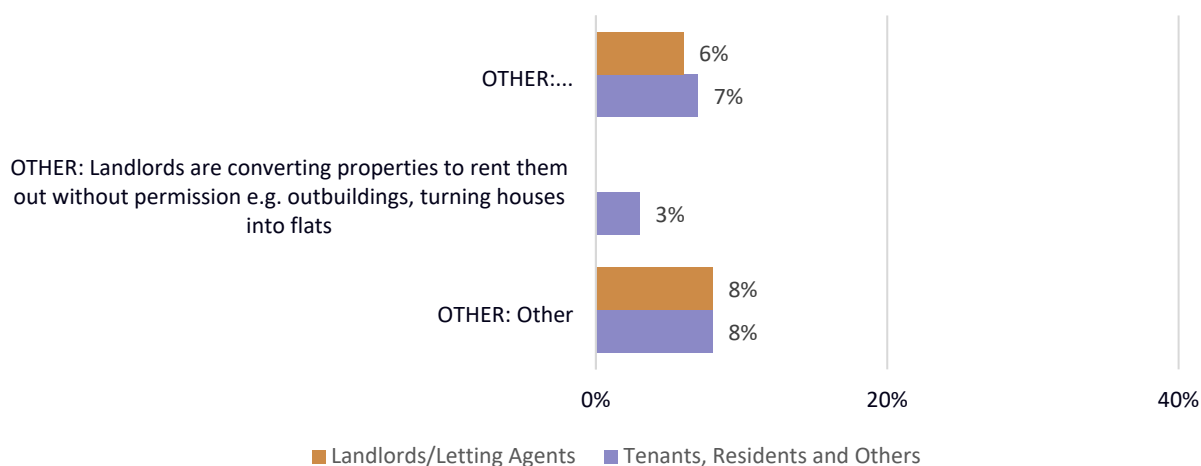
Figure 30: Comments about the Licence Fees and/or Conditions – The additional/alternative responses



Base: Landlords/Letting agents (120 respondents), Tenants, Residents and others (92 respondents)

- 10.92 Around one-in-six (16%) landlords/letting agents providing a comment mentioned that licencing should only target bad landlords including landlords with high numbers of complaints.
- 10.93 Just under one-in-ten (8%) of tenants/residents/others giving a response suggested introducing rent control/caps, with around one-in-eight (13%) giving another type of alternative suggestion.

Figure 31: Comments about the Licence Fees and/or Conditions – Other responses



- 10.94 The figure above (fig 31) summarises the other type of comments provided not falling into any of the previous categories of response.
- 10.95 Whilst the above themes cover the majority of points made by respondents in relation to this question, a few comments raised more specific points, which can be seen in detail on the consultation website:
www.merton.gov.uk/prsconsultation.

11 COUNCIL'S CONSIDERATION OF CONSULTATION RESPONSES

- 11.1 All of the comments and representations received, either direct to the Council or via ORS, both as responses to questionnaires or as separate emails, have been carefully considered and analysed. Responses to the key themes are detailed below.
- 11.2 It is important to note that the joint Consultation Exercise (for both Landlord Licensing and new Planning Controls in the form of an Article 4 Direction) went over and above what was required under the legal framework with regard to contacting affected bodies and individuals.

- 11.3 Commencing with the public Cabinet report in October, 2022, which approved the Immediate Article 4 Direction in 7 wards; the questionnaire launch on the 14th November 2022 was followed by on 17th November – the date the Immediate Article 4 Direction came into effect - the Article 4 Direction and Notice being posted on our consultation webpage; notification to the Secretary of State; notification to statutory bodies; posting of Notices on lampposts; and publication in the press.
- 11.4 The consultation period for return of questionnaires and comments to either ORS or the Council was open for 10 weeks. Additionally, during this time, 2 public landlord forums were held, as well as an additional landlord forum purely on the Article 4 Direction at the request of some landlords. There was also a stakeholder forum. These were held both virtually and in person, during the day and the evening, to give as many landlords and property agents as possible, the opportunity to attend.
- 11.5 Additionally, further publicity on both the proposed Landlord Licensing and the Immediate Article 4 Direction took place as follows:

During November

- Press releases from the Council's Communications Team
- Article in the printed Council newsletter for Nov 2022 distributed to households across the borough
- Email sent to statutory undertakers and those who have registered to be updated with changes to planning regulations/ policy in Merton (Approximately 1600+ individuals and organisations).
- Associations directly contacted by the Council's retained consultation agency, Opinion Research Services (ORS) included: NRLA, LLAS , Propertymark , The BLA, The Guild of Residential Landlords, SafeAgent, London Property Licensing, UKALA (UK Association of Lettings Agents) and RICS (Royal Institution of Chartered Surveyors)
- Letters sent to HMO licence Holders via post (royal mail first class). (Approx. 370 Landlords).
- Contacted Leaders & Chief Executives of the following Local Authorities; Wandsworth & Richmond upon Thames, Croydon, Sutton, Kingston and Lambeth to assist in raising awareness.
- MPs and Ward Councillors notified

During December

- Email to London Landlord Accreditation Scheme (LLAS). LLAS confirmed they sent the notice of the consultation to approx. 1100 Landlords.
- Email to London Property Licensing informing them of the consultation.
- Email sent to Public Health, Fire brigade, Police service inviting them to a stakeholder engagement meeting.
- Email sent to Local Landlords who are in receipt of housing Benefit informing them of the consultation
- Consultation and forums details passed to the attendees of the regular Merton landlord forum.

During January

- Reminder email sent to statutory undertakers and those who have registered to be updated with changes to planning regulations/ policy in Merton (approx. 1600 individuals and organisations)
- Reminder email sent to Landlords in receipt of Housing Benefit
- Consultation and forums details passed to the attendees of the regular Merton Landlord Forum.

- 11.6 A large number of responses were received during the consultation, as detailed in Section 10. Some key themes were apparent, and these are detailed in Appendix A which includes responses in a table format as well as the main issues which are addressed below and in other detailed sections within the report.
- 11.7 As might be expected, residents and tenants, were overwhelmingly in favour of the proposals (for specific percentages, please refer to the detailed charts in Section 10, or the full report from ORS on the consultation webpage). Approximately 80% supported the introduction of both Additional Licensing (81%) and Selective Licensing (78%) both in general and in the specific wards. 80% supported applying Conditions to licences; in the region of 40% felt the licence fees were 'about right' (with many others believing them to be too low, rather than too high). For those residents owning their own properties, the percentage supporting and perceiving there to be issues was far higher in each case.
- 11.8 There was a far higher number of residents and tenants who perceived there to be problems with poor property conditions (79%) as opposed to landlords believing this to be the case (10%). Additionally, residents and tenants also perceived anti-social behaviour; crime; poverty and/or deprivation to be bigger problems than landlords did although a higher % of landlords did recognise these issues to be a problem (30%; 35%; 25% of landlords). Then finally, a far higher proportion of residents and tenants than landlords believed that the licensing proposals would assist in tackling issues such as improving poor property conditions and management; and reducing anti-social behaviour (79% versus 10% for landlords). The responses below therefore focus on addressing the key issues raised by landlords, either through the questionnaire or during the forums, rather than responding to positive comments.
- 11.9 **Impact of Costs on Rent:** A key concern of some landlords and managing agents expressed during the consultation was that licencing schemes would result in increased rent, with landlords passing the licence fee cost onto tenants. Some tenants were also concerned about this. The 2019 study - 'Use and Effectiveness of Selective Licensing' - commissioned by MHCLG (now DLUHC) addressed the claim regularly made that licensing increases rents, as landlords passed on the licensing costs to their tenants. No substantive evidence of this effect was seen during the review.

- 11.10 In order to obtain more information about the potential costs impact, officers reviewed data from the Private Rental Market Summary Statistics in England, published by the Office of National Statistics (ONS), for the period April 2019 to September 2022. Data in relation to a sample of London Boroughs that had introduced landlord licensing and Article 4 Directions was examined. The data did not indicate very significant increases in median rental prices across all categories of accommodation during the period, or a direct correlation between licensing scheme introduction and rent increases.

	2019-20	2021-22	% Rent Change
Borough	Monthly Rent All Categories (Median)	Monthly Rent All Categories (Median)	
Haringey	1,500	1,475	-1.7
Lewisham	1,300	1,315	1.2
Barking and Dagenham	1,200	1,300	8.3
Brent	1,450	1,450	0.0
Ealing	1,425	1,450	1.8
Enfield	1,250	1,332	6.6
Havering	1,150	1,250	8.7
Hounslow	1,275	1,350	5.9
Waltham Forest	1,300	1,350	3.8
Merton	1,495	1,523	1.9

- 11.11 This data supports previous research that shows that the annual cost of a licence (the full fee divided by 5) does not explain the annual rent increases seen. Studies have shown that where rental increases have occurred in local authority areas where selective licensing has been introduced, the increases cannot be attributed significantly to the landlords passing on licensing costs and are believed to be due to market conditions.
- 11.12 **Ineffective and waste of money and questioned Council's ability to manage the schemes effectively:** A view expressed by some landlords and property related organisations was that licensing was ineffective, and in effect a waste of money. Evidence to demonstrate that licensing schemes do work is explored in greater detail in Section 8.
- 11.13 The Council has considered known examples of licensing schemes that have experienced difficulties, and these appear to reflect the findings of the earlier review by the DLUHC (formerly the MCHLG). Those findings included a key reason why some schemes had experienced difficulties which was due to licence fees not being sufficient to cover the true costs of schemes, resulting in inadequate staffing to conduct inspections and process licence applications in a timely manner.
- 11.14 In developing the proposals Merton has considered the potential risks and is confident the proposed resources are adequate to ensure that the anticipated scheme performance levels are achievable.

- 11.15 **Impact upon housing numbers:** the view being that the introduction of an Additional Licensing Scheme, as well as an Article 4 Direction for small HMOs, would reduce or stagnate the number of HMOs. As detailed in Section 9, there is no evidence of this, and it is important to note that the Article 4 Direction cannot be applied retrospectively. Also, those HMOs currently licensed will not be affected. Additionally, rents in Merton tend to be higher than average and compared with the relatively low cost of applying for either an additional licence or planning consent, it is not felt that this would be a barrier to setting up an HMO.
- 11.16 **Already sufficient regulation in place/creates unnecessary bureaucracy** Comments opposed to the licensing proposals referred to the existing powers available to the Council and whether or not these had been used or should be used rather than introducing a licensing scheme.
- 11.17 Whilst it is recognised that a range of powers and measures are available to regulate the private rented section in line with current legislation, there are limitations in respect of what the current legislation for example will allow. Under Part 1 of the Housing Act 2004, landlords are not required to declare their rental properties themselves. There is no obligation for a landlord to be proactive in addressing or improving property conditions (including minor issues that may still pose a risk to tenants' health and safety).
- 11.18 The 2021 English Housing Survey data indicated that 23% of private renters who had the intention to make a complaint to the landlord or agent, did not complain. The most common reasons for not making a complaint were: being worried about the retaliation by the landlord (15%), being worried that their tenancies would not be renewed (14%), considering complaining was too much of a hassle and takes too much time (13%), and other reasons (23%). This situation combined with absence of a landlord obligation to be proactive in dealing with property conditions highlights the need for additional measures to be considered by the Council, in addition to the current powers and measures available.
- 11.19 The Council's Licensing Enforcement Team continue to exercise the last resort option of progressing prosecutions through the Court, for serious offences. Such cases take considerable periods ranging from months to years to process a case. This will involve extensive evidence collation from a range of sources, including identifying the ownership and management of properties, and obtaining witness statements and other supporting information. The time to reach conclusion of a case, particularly if the landlord challenges a decision, will also be considerable due to the pressures on the Court system.
- 11.20 The Council has the power to issues Civil Penalty Notices as an alternative to prosecution, however, the process and timescales are also extensive, and the level of investigation and evidence collation is similar to that required for a Court case. A person subject to a Civil Penalty Notice has the right of Appeal to the First-Tier Tribunal, which can also lead to extensive periods for a case to be concluded.

- 11.21 Taking into account the enforcement action undertaken such as prosecutions, Civil Penalty Notices, and other interventions, and the ongoing extent of the issues presenting, the Council believes that none of the current measures that it is able to utilise to deal with poor conditions and other issues relevant to licensing, either individually or collectively, is capable of achieving the objectives that it intends to deliver through the proposed licensing schemes.
- 11.22 **Anti-Social Behaviour (ASB):** Landlords disagreed that the proposals would have a meaningful impact on antisocial behaviour. Landlords also largely agreed that they should not be held responsible for dealing with antisocial behaviour outside their rental properties, since they are generally unequipped to deal with the complex circumstances that often lead to it. The NRLA requested that landlords be assisted in dealing with antisocial behaviour complaints against tenants. In response to this request the Council will continue to develop its relationship with the landlord sector through increased and improved communication for example through the private landlords' forum and dedicated webpages on the Council's website. More information and advice will be provided to support landlords and to assist them with tenancy management issues, including dealing with occupiers presenting challenging behaviour. However, the Council is unable to provide specialist legal advice.
- 11.23 The Council believes that landlords have a responsibility to take reasonable steps to deal with ASB arising from their properties. The conditions to be applied to the proposed licensing scheme aims to make tenants and landlords aware of their rights and responsibilities. For example, the conditions will make tenants aware of the types of unacceptable behaviour and provide guidance on how to deal with issues. The licence holder will be required to set out for tenants how ASB will be dealt with. The licence holder will be expected to take reasonable steps to deal with any ASB resulting from the conduct of occupiers or visitors.
- 11.24 Under the proposals, the Council will produce an additional level of information, training and other assistance to the landlord sector. Currently this takes place via the private landlord forum which aims to promote good practice in the private rented sector by providing information for landlords including legal and case law updates relating the private rented sector. The Council will also set up a dedicated web page providing a range of information and resources, in addition to the work of the forum.
- 11.25 **Non-compliant landlords would avoid paying the fees:** Concern over this and how non-compliant landlords would be identified. A licensing scheme if approved will enable the Council to increase proactive measures to identify non-compliant landlords. As part of the licensing work the enforcement team will utilise a range of data and proactive measures to identify potential unlicensed properties. The Council will publicise the scheme widely, ensuring that landlords, tenants and residents are aware of the legal requirement for private rented properties to be licensed.

- 11.26 The Council will also continue to work with strategic partners, such as the Police, ASB and Noise and Nuisance enforcement teams, and other agencies as part of the information gathering process.
- 11.27 **Licence Fees are too High:** A range of comments were made around the fees, including requests for Part B to be payable monthly; discounts to be available in certain circumstances etc. It should be noted that the NRLA disagreed that the proposed fees were too high, stating that fees were higher in other parts of the country. However, responses to the questionnaire indicated that in all categories, landlords felt the fees were too high.
- 11.28 The discounts have been reviewed in light of the consultation feedback and the Council is satisfied that the proposals are reasonable. Fees are covered in more detail in Section 12.
- 11.29 The fee structure for the proposed scheme has been kept as low as possible to minimise cost to landlords whilst ensuring that the scheme remains cost neutral, so it is deemed to be fair and reasonable, over the five-year period. The proposed fee is also fully tax deductible for landlords.
- 11.30 Taking account of the views expressed during the consultation, as well as the likely higher than expected adjustments arising from the current negotiations for staff salaries, some of the proposed licence fees have been increased:
- Standard undiscounted selective licensing fee £692 (£40 increase)
 - Standard undiscounted additional licence 2-bed unit £1,450; 3-bed £1,500; 4-bed £1,550 (£335 increase).
- 11.31 Also, again taking on board comments received, the Council is considering reviewing the position of applicants applying for a licence towards the end of the scheme, e.g. in the last year and considering extending the licence period across part of a subsequent scheme licence period if approved, or granting a part refund if no alternative or subsequent scheme is approved.
- 11.32 **Opposition to Conditions:** with regard to the proposal to apply additional conditions to the licences to improve matters such as property condition; help reduce ASB etc through improved management, a large number of landlords were in disagreement with 70% and 79% opposed to such conditions being applied to Additional Licensing (for HMOs) and Selective Licensing, respectively. Some conditions to be applied are required nationally whilst others are proposed by the Council. Please refer to Section 13.
- 11.33 Another comment relating to conditions was that complying with conditions in older, terraced, properties could be particularly costly. The Council recognises that meeting property standards in older properties may be more challenging for some landlords, however, the objective of licensing is to improve conditions and ensure that private rented properties meet the health and safety standards required.
- 11.34 Further consideration was given to representations relating to the proposed conditions, and the decision is that no changes will be made.

12 PROPOSED LICENCE FEES

- 12.1 Modelling has been undertaken based upon expected licence numbers uptake and the current financial projections are that the selective and additional licensing scheme will require £3.3m of expenditure over the five-year scheme period, including £3m staffing expenditure, based upon a staff resource of 9.5 staff.
- 12.2 Scheme operating costs will be required to be covered by the licence fee income. The Council is not legally able to generate a profit on the scheme, it has to be cost neutral, and income is ring-fenced to the scheme. The scheme is intended to break even over several years with no material subsidy from the Council. It will operate as a ring-fenced trading account with the General Fund, carrying over surpluses and deficits as appropriate.
- 12.3 Licence fees are valid for the 5-year term of the scheme and landlords will be required to purchase a licence either for the full 5 years or the remaining term of the scheme, should they not purchase until a later date.
- 12.4 There are a number of discounts available, including (please see Appendix B for full details):
- 10% Early Bird Discount for those applying within first 2 months
 - £50 discount for membership of an accredited Scheme
 - Combined Early Bird and Accredited Member
 - 10% discount on subsequent properties an applicant owns in a single block
- 12.5 Licence fees are payable in two instalments. Part A, payable at application stage and non-refundable, and Part B, payable once the decision has been made to grant a licence.
- 12.6 Some respondents, including the NRLA thought that the fees were too low to operate the scheme. This is because in some parts the country, licence fees are higher.
- 12.7 However, licence fees are required to be based on the cost of implementing and running the scheme and should not make a profit. The proposed fees have been calculated on the cost of setting up and operating the schemes and will reviewed annually to help ensure that the scheme remains cost neutral, although there is always a risk that licence fees will not cover the costs of the scheme due to the difficulty of modelling take-up of licences.
- 12.8 In accordance with the Housing Act 2004 Section 87 (7), the fee amounts are based on:
- Staff employed to process and issue the application; and
 - Costs of monitoring and delivering the scheme, including staffing, operating; inspections; and enforcement.

- 12.9 Proposed licence fees formed part of the consultation. Following the responses to the consultation, as well as an anticipated higher than expected staff settlement, further consideration was given to the fee structure and it has been decided that some of the proposed fees will be increased. The proposed fees are set out in Appendix D.
- 12.10 Finance; IT; and Housing have been working together to ensure that systems will be in place to enable management and processing of the licence structure by September 2023.
- 12.11 Rather than procuring a completely new external system to handle the licence applications, it has been agreed to develop a customer facing online application form using the Microsoft PowerApps system, currently in use within the Council. This will enable customised processes, data handling and integration with the Council's existing systems.

13 PROPOSED CONDITIONS

- 13.1 A number of Conditions are applied to each licence. These are different for Selective Licensing and Additional Licensing. For full details, please refer to Appendices B and C.
- 13.2 Certain conditions are a national requirement which the Council must impose by law, and these are headed as Mandatory. Others are chosen by the Council under their power to impose conditions and are headed as Discretionary.
- 13.3 Further consideration was given to representations relating to the proposed conditions, and the decision is that no changes will be made to the proposed conditions. Responses to the consultation feedback in relation to Conditions is set out in Section 11.

14 STAFFING

- 14.1 A key aspect of the scheme is ensuring that there is a new team in place by the start of 'Go Live' to ensure that:
- Applications are processed in a timely manner
 - Licence applications are considered
 - Fees are taken
 - Properties are inspected
 - Enforcement action is taken where necessary.
- 14.2 As already mentioned, schemes should be cost neutral, and the Council is not permitted, by law, to make a profit. Equally, it is important that the scheme should not place additional costs on the Council.

14.3 The cost of the staff required has to be met from the income generated by the Council. Modelling has taken place to estimate as accurately as possible the number of licences that will be generated and the size of the team required to administer the scheme.

14.4 The anticipated staff resource for selective and additional licensing is set out in the table below:

No.	Posts: 4 SL Wards + 7AL	Scale Point	Grade	Full Year Cost
5	Full-time Enforcement Officers/Principal Enforcement Officer- (incl. on-costs)	37	ME13/ME15	306,968
1	Team Manager	39	ME16/MGA	73,754
3	Full-time Licensing Officers- (incl. on-costs)	25	ME9	136,994
	Senior Manager Apportionment			10,888
0.5	Finance Support Officer	29	ME11	26,345
	(Note: Costs subject to Pay Settlement) Total			554,949

15 HOUSING RELATED STRATEGIES

15.1 Statutory guidance requires that selective licensing is not a tool to be used in isolation. The Council is required to show how a designation will form part of the overall strategic borough wide approach and how it fits with existing policies on:

- homelessness
- empty homes
- regeneration
- anti-social behaviour associated with privately renting tenants

15.2 The Council must also ensure that licensing complements other measures and should only be used where existing measures alone are insufficient to tackle the underlying housing problems of a specific area. The Council should also carefully consider any potential negative economic impact that licensing may have on their area, particularly the risk of increased costs to landlords who are already fully compliant with their obligations. The guidance recognises the potential for additional costs to reduce further investment and to be passed on to tenants through higher rents.

- 15.3 In line with the guidance proposed licensing forms part of wide range of strategies and measures that the Council is pursuing to achieve its key housing supply, improvement, and enforcement objectives. The key strategy and policies are:
- Housing Delivery Strategy 2022-27
 - Housing Register and Nominations Policy
 - Housing Strategy
 - Homelessness Strategy
 - Tenancy Strategy
 - Local Plan
 - Equality and Community Cohesion Strategy
 - Safer Merton Hate Crime Strategy
 - Merton Violence Against Women and Girls Strategy
- 15.4 The Council is a non-stock holding authority and the private sector housing plays a significant role in the housing provision within Merton, and the Council is committed to strategies that improve the provision of well managed private rented homes in the borough. Key priorities to enable achievement of key strategic objectives include improved partnership working with strategic partners, the private rented sector, and enhancing enforcement and regulatory interventions where issues are identified.
- 15.5 New initiatives have been proposed or have already been implemented to enable the Council to achieve its objectives, including:
- Selective Licensing
 - Additional Licensing
 - An Empty Homes Strategy
 - Article 4 Direction - planning controls for small HMOs in seven wards in Merton
 - Private Sector Housing Assistance Policy (Disabled Adaptations Services)
 - Rent Deposit Scheme / private rental procurement via partnership with Capital Letters
- 15.6 These policy initiatives underpin our approach to housing delivery and enforcement, utilising the range of options available to improve conditions in the sector. In furtherance of this objective the Council will continue to work with strategic partners such as Police, Fire Service, Community Safety Teams, housing associations, landlord forums, third sector and advice agencies, and ensure that Council services such as Noise and Nuisance, ASB support strategic objectives to improve housing conditions in the private rented sector.
- 15.7 In 2022 the Council adopted the Housing Delivery Strategy 2022-27, an overarching five-year strategy which aligned with a wider group of policies and strategies, designed to:

- Increase the supply of affordable housing
- Support residents to access affordable, well managed private rented homes
- Improve the condition of housing in the private rented sector including effective regulation
- Develop strong partnerships to support the delivery of new supply
- Enhance homelessness and rough sleeping services
- Achieve Merton's Local Plan objectives and the Climate Strategy and Action Plan
- Meeting the needs of vulnerable households, including older people, those with physical or learning disabilities, and care leavers.

16 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 16.1 The current financial projections are that the selective and additional licensing scheme will require £3.3m expenditure over the five-year scheme period, including £3m staffing expenditure, based on a staff resource of 9.5 staff.
- 16.2 Projected income and expenditure for the selective and additional licensing schemes is based on the expected applications processed each year of the scheme and the licence fee income, based on the fee and discount permutations.
- 16.3 The fees are expected to cover the costs of the ring-fenced schemes, and the Council is unable to make a profit. Any surplus remaining at the end a scheme would be used to roll over to a subsequent if approved or returned to licence holders. The current legal position at the time will be reviewed to ensure that the Council complies with government guidance. The Council is required to keep the schemes under review, and income and expenditure will be reviewed as part of the annual scheme reviews.
- 16.4 There will be an increase in the number of planning applications received following the introduction of the Article 4 Direction. It is difficult to quantify how many at this stage but there will additionally be an increase in planning application fees, which could be used to bolster the team. This is being monitored.
- 16.5 Any compensation claims that may be submitted as a result of introducing an Immediate Article 4 Direction are deemed to be capital expenditure and no provision exists in the capital programme for these.

17 LEGAL AND STATUTORY IMPLICATIONS.

- 17.1 This report sets out the statutory and regulatory requirements relevant for Landlord Licensing and the Article 4 Direction. It also highlights the need for robust data in support of both schemes, and for them to apply to the smallest,

- clearly defined, geographical areas based upon the evidence to avoid challenge.
- 17.2 The statutory framework for selective and additional licensing is set out in S.80 of the Housing Act 2004. Selective Licensing of Houses (Additional Conditions) (England) Order 2015, and in the Ministry of Housing and Local Government (MHCLG) (now the Department for Levelling Up, Housing and Communities (DLUCH)) 2015 publication, Selective Licensing in the Private Rented Sector.
- 17.3 The Town and Country Planning (General Permitted Development) (Amendment) (No.2) (England) Order 2010 makes a change of use from a use falling within Class C3 (dwelling houses) to a use falling within Class C4 (houses in multiple occupation) 'permitted development' – i.e., planning permission is no longer needed to do this. Under Article 4 of the General Development Order (as amended) ("GDO") local planning authorities can make directions withdrawing permitted development rights from development across a defined area listed in Schedule 2 of the same order. For all article 4 directions the legal requirement set out in paragraph (1) of article 4 of the GDO is that the local planning authority is satisfied that it is expedient that development that would normally benefit from permitted development rights should not be carried out unless permission is granted for it on an application.
- 17.4 Under section 108 of the Town and Country Planning Act 1990 there is an entitlement to compensation where planning permission is refused for development that would have been permitted development but for an Article 4 Direction or granted subject to conditions, which were not also imposed under the permitted development, if that has resulted in the property having a lesser open market value than it would have had but for the Article 4 Direction and subject to such planning refusal or conditional planning permission being in respect of a planning application made within a year of the date of the Article 4 Direction.
- 17.5 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 states that approval to make an Article 4 Direction is not a Cabinet function and therefore should be made by resolution of full Council.
- 17.6 New PD rules that came in force in July 2021, are set out in the National Planning Policy Framework (NPPF)
- 17.7 The Government are currently proposing changes to the NPPF. Under the proposals, In the reformed planning system, authorities will no longer be able to prepare supplementary planning documents (SPDs). Instead, they will be able to prepare Supplementary Plans, which will be afforded the same weight as a local plan or minerals and waste plan.
- 17.8 It is proposed that when the new planning system comes into force (expected late 2024), existing SPDs will remain in force for a time-bound period; until the local planning authority is required to adopt a new-style plan. Current SPDs will automatically cease to have effect at the point at which authorities are required to have a new-style plan in place. For example, if a planning authority's plan is more than 5 years old when the new system comes into force and that planning authority is required to begin new-style plan-making

straight away, their SPDs will expire on the date at which they are required to adopt a new-style plan i.e. 30 months after they commence plan preparation. Where an authority is working towards the 30 June 2025 deadline and they miss it, their SPDs will expire 30 months after that date i.e. at the end of December 2027.

- 17.9 The Secretary of State has considered the evidence for the Article 4 Direction and has said it will not intervene. For Selective Licensing, as the wards selected are under the 20% threshold, the Secretary of State does not have to give consent.
- 17.10 There is a risk of Legal Challenge to the introduction of both Selective and Additional Licensing.
- 17.11 The data will need to constantly be reviewed during the term of the Selective Licensing scheme should it proceed, and Members should be aware of the enforcement powers available to the Council under the Housing Act 2004 to ensure compliance with the scheme.

18 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 18.1 The Council has carried out an equalities assessment at each stage of developing the Article 4 Direction, considering the impact of the proposal on each of the protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion/belief, sex, sexual orientation, and socio-economic status).
- 18.2 The outcome is that Equalities Assessment has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. The Council has also considered the “in-combination” effects of the Article 4 Direction and the proposed new licensing regime.
- 18.3 The Equalities Assessment has considered the potential effects of introducing licensing in the seven wards in-combination with the effects of introducing the Article 4 Direction in the same wards. Possible in-combination effects include:
- Improvements to the quality of HMOs and the whole private rented sector in the seven wards.
 - Reduction in private rented properties, particularly HMOs if some prospective landlords exit the market, or are deterred from setting up or providing rented accommodation within a licensing and Article 4 designated area.
- 18.4 There is very little data available to enable assessment of the in-combination effects of licensing and Article 4 Directions, however, the data indicates a reduction in ASB and improved mental health and provides evidence in support of licensing.

- 18.5 The intended benefits of licensing, including improvement of conditions in the PRS along with the controls that the Article 4 Direction aims to deliver, will improve the lives of those households' dependent on the rented sector for safe and well managed housing.
- 18.6 The data obtained from the ONS private rental market statistics indicates that in the sample boroughs with selective licensing and Article 4 Directions in place, around half showed increases in the median rent across all categories from -1.7% to 3.8%.increase over the three-year period 2019 to 2022. Just over half showed increases in the three-year period of between 5.9 and 8.3%. The data does not indicate that rental prices rose to a significant extent due to licensing.
- 18.7 The Council will keep this equalities assessment under review.

19 CRIME AND DISORDER IMPLICATIONS

- 19.1 The selective licensing proposals are intended to reduce incidents of crime and anti-social behaviour related to poorly managed properties in the private rented sector. KPI measures will be set and monitored in relation to these indices if the scheme is progressed.
- 19.2 There are no direct crime and disorder implications in relation to the introduction of an Article 4 Direction although the requirement to seek planning consent could lead to an improvement through greater awareness and controls.

20 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 20.1 Following the introduction in November 2022 of an Immediate Article 4 Direction, and its Confirmation at April 2023 Council, there remains a risk of compensation claims being received should a planning application for a development that previously relied on Permitted Development be refused or have conditions attached that affects the development's value. This only applies to those applications submitted by 17th November 2023.
- 20.2 There is a risk of a Judicial Review being brought against the Council for both Selective, and Additional Licensing for 3 months from the date of Confirmation/Designation.
- 20.3 There is a risk that the team of staff required will not be able to be recruited successfully within the timescale to commence Landlord Licensing in September.

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

Appendix A: Summary of Consultation Responses

Appendix B: Selective Licensing Conditions

Appendix C: Additional Licensing Conditions

Appendix D: Schedule of Proposed Charges for Licensing

22 BACKGROUND PAPERS

LSG Report 22 November 2021 – Selective Licensing Options and report on Article 4 Directions

LSG Report 7 March 2022 – Selective Licensing Update and Empty Homes

LSG Report 13 June 2022 - Update on Selective Licensing & Article 4 Directions

LSG Report 22 September 2022 - Update on Selective Licensing & Article 4 Directions

LSG Report 5 June 2023

Cabinet Report 10 October 2022

Cabinet Report 20 March 2023

Council Report 19 April 2023

Metastreet Report

Opinion Research Services Final Report

Appendices:

- Appendix A Summary of Consultation Responses for Landlord Licensing
- Appendix B: Selective Licensing conditions
- Appendix C Additional Licensing conditions
- Appendix D: Schedule of Proposed Charges for Licensing

Appendix A: Summary of Consultation Responses for Landlord Licensing

Comments	Council Response
Scheme objectives and conditions	
There appear to be an increasing number of "garden buildings" used as separate accommodation ... This type of unregulated separate occupancy needs to be brought under control.	The Council is aware of the incidence of these types of outbuildings being used as rental accommodation and where such dwellings are identified they are investigated under the enforcement measures available to the Council. The introduction of a licensing scheme will enable more resources to target suspected problematic dwellings.
The scheme will need to be properly managed / enforced effectively including regular monitoring/inspections	If the licensing scheme is approved, the Council will carry out inspections under the new scheme to find unlicensed properties and will work with landlords to ensure that the properties comply with the standards required and are licensed. The licensing scheme proposals includes funding the required staff resources required to effectively manage the scheme.
Licensing schemes will encourage landlords to improve property standards, benefitting tenants and the local area	The Council recognise that many landlords provide good quality safe accommodation and where landlords' properties need to be improved to meet the conditions required under the licensing scheme the Council will work with them to ensure compliance. It is recognised that this work will ensure that landlords and tenants are aware of their rights and responsibilities.
Agree with additional licensing, HMOs need licensing	If licensing is approved all HMOs as defined within the Housing Act will either be covered by the additional licensing scheme in relation to HMOs not currently covered by the mandatory HMO licensing scheme, in the designated wards. Licensing regulations will continue to apply to all HMOs in the Borough, covered by the mandatory licensing requirements (those with 5 or more occupants from 2 or more households).
Agree with selective licensing / other privately rented properties need licensing	If the licensing scheme is approved, all privately rented properties, meeting the requirements for licensing would be covered by either the selective licensing or additional licensing scheme in relation to HMOs not currently covered by the mandatory HMO licensing scheme, in the designated wards. Licensing regulations will continue to be applied to HMOs covered by the mandatory licensing requirements (those with 5 or more occupants from 2 or more households).
Other Wards / The whole of the borough should be included	Based on the research evidence not all wards indicated significant levels of the issues that the licensing proposal is intended to address. Legislation governs under what conditions licensing in areas may be introduced.

<p>Small HMOs are causing problems e.g., parking, ASB, litter</p>	<p>The Council recognises that not all HMOs cause problems, and through additional licensing seeks to improve conditions, and address ASB issues, associated with poorly managed HMOs.</p>
<p>A licencing scheme will result in increased rent, with landlords passing the licence fee cost onto tenants.</p>	<p>The 2019 study – ‘Use and Effectiveness of Selective Licensing’ - commissioned by the Minister for Housing Communities and Local Government (MHCLG) (now the Department for Levelling up Housing and Communities (DLUHC)) addressed the claim regularly made that licensing increases rents, as landlords passed on the licensing costs to their tenants. No real substantive evidence of this effect was seen during the review.</p> <p>As part of its equalities impact assessment for licensing, the Council reviewed data from the Private Rental Market Summary Statistics in England, published by the Office of National Statistics (ONS) for the period April 2019 to September 2022.</p> <p>Data in relation to a sample of London Boroughs that had landlord licensing and Article 4 Directions did not indicate very significant increases in median rental prices across all categories of accommodation during the period, or a direct correlation between licensing scheme introduction and rent increases.</p>
<p>A licencing scheme will result in less availability for tenants, causing homelessness.</p>	<p>The 2019 study - ‘Use and Effectiveness of Selective Licensing’ - commissioned by MHCLG (now DLUHC) did not show real substantive evidence of this effect during the review. If landlords sell their properties, these are likely to be bought by other landlords, and the supply would not be significantly affected.</p> <p>Data from the English Landlord Survey (2021) indicated that landlords who planned to decrease or sell all their rental property were planning to do so due to legislative changes (e.g., to benefits, tax relief and stamp duty), these being the most commonly cited reason. This was followed by forthcoming legislative changes (e.g., to section 21 evictions), or for personal reasons (e.g., approaching retirement age, other commitment etc.)</p> <p>There is no evidence that licensing results in significant rental increases. ONS data from the private rental market statistics. Where rents have increased in boroughs these are not able to be attributable solely to licensing, particularly given the limited annual equivalent cost of a licence.</p>
<p>A licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties</p>	<p>It is recognised that landlords face a number of economic pressures resulting from the cost-of-living crisis, and potential costs arising from pending changes to EPC standards for example. However, as stated above, data from the Use and Effectiveness of Selective Licensing review, and the English Landlord Survey, do not support this assertion. It is also reasonable to believe that if some landlords sell their rental properties, these may be bought by other landlords, and the supply would not be significantly affected.</p>

<p>Licensing won't solve the issues / problems</p>	<p>Research carried out by the Chartered Institute of Environmental Health (CIEH) and Chartered Institute of Housing (CIH) found that selective licensing schemes were successful at improving housing conditions. The research cited evidence of inspections leading to high numbers of serious hazards and being identified and addressed in licensed areas, and reduction in antisocial behaviour (ASB).</p> <p>Recent research published in the British Medical Journal (BMJ) in 2022 reported on the impact evaluation of selective licensing schemes for private rented sector homes in London. The 5-year study found evidence of area-level reduction in anti-social behaviour, and positive impacts on mental health and wellbeing.</p>
<p>Proposals are just a money-making scheme / tax</p>	<p>Local authorities are not legally able to make a profit on licensing schemes, and income must be used to cover the cost of implementing and running the scheme. The Government's Regulatory Impact Assessment in relation to HMO and selective licensing (Licensing of Houses in Multiple Occupation (Prescribe Descriptions) (England) Order 2006 No. 371) makes the position clear that fees cannot be used to raise extra revenue for the local authority. Proposed fees have been calculated on the cost of setting up and operating the schemes.</p>
<p>There is already sufficient regulation in place / creates unnecessary bureaucracy</p>	<p>The Council currently exercises a range of powers and measures available to it in its work to regulate the private rented sector in line with current legislation. However, there are limitations in respect of what the current legislation will allow. For example, under Part 1 of the Housing Act 2004, landlords are not required to declare their rental properties themselves. There is no obligation for a landlord to be proactive in addressing or improving property conditions (including minor issues that may still pose a risk to tenants' health and safety).</p> <p>The 2021 English Housing Survey data indicated that a significant number of tenants do not complain about conditions in their properties for fear of losing their tenancy. This situation combined with absence of a landlord obligation to be proactive in dealing with property conditions highlights the need for additional measures to be considered by the Council, in addition to the current powers and measures available.</p> <p>Taking into account the enforcement action undertaken such as prosecutions, Civil Penalty Notices, and other interventions, and the ongoing extent of the issues presenting, the Council believes that none of the current measures either individually or collectively, is capable of achieving the objectives that it intends to deliver through the proposed licensing schemes.</p>
<p>Similar schemes in other areas haven't worked</p>	<p>The Council is aware that some schemes in other local authority areas have experienced difficulties. For example, some councils were overwhelmed by the numbers of applications at the commencement of schemes. Others experienced issues relating to insufficient staff to process applications and carry out inspections, which led to delays in issuing licences. Some councils found that a small but significant number of landlords did not apply for licences, resulting in more work to trace and identify the relevant properties. However, there is also evidence demonstrating that even schemes that experienced difficulties made an impact on identifying poor conditions and hazards in the sector and contributed to improvement of standards in the areas. Overall, the</p>

	<p>extensive evidence from research studies and local authority reviews of the operation of their schemes demonstrate that schemes do work and provide positive outcomes for both residents and tenants.</p> <p>The Council is also aware that some councils have been unsuccessful in securing government approval for their licensing schemes, where approval was required, due to concerns about the information provided to support applications or renewals of licensing schemes.</p> <p>The Council monitors developments in the sector and maintains contact with other local authorities, to share information and learning experiences, and maintain up to date awareness of the challenges of operating a licensing scheme.</p> <p>As part of the licensing work the enforcement team will utilise a range of data and proactive measures to identify potential unlicensed properties. The Council will publicise the scheme widely, ensuring that landlords, tenants and residents are aware of the legal requirement for private rented properties to be licensed. The Council will also continue to work with strategic partners, such as the Police and other agencies as part of the information gathering process.</p>
<p>Punishes good landlords. Leaves non-compliant landlords undetected.</p>	<p>The Council recognises that many landlords provide good quality well managed housing, and this housing provides much needed affordable housing in the Borough.</p> <p>The Council is committed to maintaining and building the valuable relationship with private landlords operating in the borough. Effective relationship management with the private landlord sector is based on balancing the business interests of responsible landlords that, provide good quality well managed housing and ensuring that the safety and welfare of tenants in less well managed accommodation is addressed through appropriate interventions where necessary.</p> <p>A licensing scheme if approved will enable the Council to increase proactive measures to identify non-compliant landlords. As part of the licensing work the enforcement team will utilise a range of data and proactive measures to identify potential unlicensed properties. The Council will publicise the scheme widely, ensuring that landlords, tenants and residents are aware of the legal requirement for private rented properties to be licensed. The Council will also continue to work with strategic partners, such as the Police and other agencies as part of the information gathering process.</p>
<p>Landlords shouldn't be responsible for tenants' ASB / tenants should be responsible</p>	<p>The Council believes that landlords have a responsibility to take reasonable steps to deal with ASB arising from their properties. The conditions to be applied to the proposed licensing scheme aims to make tenants and landlords aware of their rights and responsibilities. For example, the conditions will make tenants aware of the types of unacceptable behaviour and provide guidance on how to deal with issues. The licence holder will be required to set out for tenants how ASB will be dealt with. The licence holder will be expected to take reasonable steps to deal with any ASB resulting from the conduct of occupiers or visitors.</p>

	<p>Under the proposals the Council will produce additional level of information, training and other assistance to the landlord sector. Currently this takes place via the private landlord forum which aims to promote good practice in the private rented sector by providing information for landlords including legal and case law updates relating the private rented sector. The Council will also set up a dedicated web page providing a range of information and resources, in addition to the work of the forum.</p> <p>The Council will continue to develop its relationship with the landlord sector through increased and improved communication for example through the private landlords' forum and dedicated webpages on the Council's website, providing information and support to assist landlords with tenancy management issues, including dealing with occupiers presenting challenging behaviour.</p>
Standards / landlords are already high quality	<p>The Council recognises that many landlords provide good quality well managed housing, and this housing provides much needed affordable housing in the Borough. Unfortunately, there are landlords who fail to maintain properties safely or to the standards required as set out in the data and stressors report made available throughout the consultation.</p> <p>Recent government data such as the English Housing Survey 2021-22 indicates that level of non-decent homes in the private rented sector is around 23%, much higher than other tenures.</p>
Licensing could lead to landlords discriminating against tenants to avoid potential charges or losing their licence including vulnerable / immigrant tenants	<p>The Council recognises that some landlords may try to avoid letting to certain types of occupiers. There are laws in place that make discrimination on certain grounds unlawful, and this information will be available on the Council's licensing webpage as part of the general information provided if the licensing scheme is introduced.</p>
<p>Strongly object to: "The licence holder must demand references from persons who wish to occupy the property..."</p> <p>I would have been unable to meet the reference requirements due to no references available and bad credit</p>	<p>Reference checks are a mandatory requirement under legislation for a licensing scheme. The requirement is that a landlord must seek references and that when referencing, 'consideration' must be given to the tenant's history, credit and right to rent.</p> <p>Checks. The Council recognises that not all prospective occupiers will have a detailed renting history, and some may be seeking their first rental accommodation. In the absence of previous landlord references other references can be sought. It is for the landlord to decide what credit check information will be taken into account and what other information the tenant can provide regarding past circumstances.</p> <p>There is a legal obligation for a landlord to carry out a 'right to rent' check and guidance is provided in various government documents, particularly 'Landlord's guide to right to rent checks: 28 February 2023'.</p> <p>It is unlawful for landlords to discriminate against prospective tenants on the basis of protected characteristics, such as religion or race, and guidance is provided for landlords in the publication 'Code of practice for</p>

	landlords: avoiding unlawful discrimination when conducting 'right to rent' checks in the private rented residential sector: 6 April 2022'.
Fees & Discounts Response	
Further discounts to landlords and those with multiple stock.	The discounts have been reviewed in light of the consultation feedback and the Council is satisfied that the proposals are reasonable. The fee structure for the proposed scheme has been kept as low as possible to minimise cost to landlords whilst ensuring that the scheme remains cost neutral, so it is deemed to be fair and reasonable, over the five-year period. The proposed fee is also fully tax deductible for landlords.
"It doesn't seem very expensive ..."	Licence fees are required to be based on the cost of implementing and running the scheme and should not make a profit. The proposed fees have been calculated on the cost of setting up and operating the schemes and will reviewed annually to ensure that the scheme remains cost neutral.
Discounts should be offered to those who own multiple properties – as well as to those who decide to sell or discontinue as an HMO or obtain a new licence late during the five-year period.	The discounts have been reviewed in light of the consultation feedback and the Council is satisfied that the proposals are reasonable. The licence fees have been calculated on the cost of setting up and operating the schemes. The subsequent disposal of a property by a landlord during the licensing period does not reduce the scheme costs. If the scheme is approved further consideration will be given to the treatment of new licence applications towards the end of the current scheme.
Part B fees should be payable monthly	The Council has considered this option and has decided not to introduce this option as this would require additional system changes and staff resources required to enable the increased transaction processing, which would mean increasing the fees.
The Council should run such checks to prevent landlords from making false accreditation claims.	The Council recognises the usefulness of conducting annual checks, however, such a process would result in thousands of additional process transactions annually that would need to be resourced, increasing the cost of the licence fee. The Council has decided that under the circumstance the costs would not be justified. Consideration may be given to sampling audit checks.
Proposed licence fees should be higher / there shouldn't be any discounts	Licence fees are required to be based on the cost of implementing and running the scheme and should not make a profit. The proposed fees have been calculated on the cost of setting up and operating the schemes. The Council recognises that many landlords provide quality safe accommodation that is well managed, and that landlords accredited to a recognised scheme are more likely to provide well managed accommodation. Discounts recognise this situation may encourage other landlords to seek accreditation.

	<p>The Council seeks to reward landlords who apply for a licence promptly and those that are voluntarily accredited by offering a discount.</p> <p>The discounts have been reviewed in light of the consultation feedback and the Council is satisfied that the proposals are reasonable.</p>
Other Comments (Summarised)	
Duty of care to ensure that tenants on housing benefit are housed in appropriate accommodation.	<p>There is no legislation in place that enables the Council to monitor properties on the basis that housing benefit is being paid.</p> <p>The Housing Act 2004 enables the council to take enforcement action including management orders, prosecutions and issuing Civil Penalty Notices where breaches of legislation have occurred. These measures are expected to be used where engagement with the landlord to achieve compliance and the improvements required, have been unsuccessful.</p>
Fine landlords that run poorly managed properties or poorly maintained properties.	The Council will continue to work with landlords to deal with poorly managed properties, and where serious breaches of the legislation the legislation arise, the Council will continue to issue Civil Penalty Notices or prosecutions as is currently the case.
Withhold rent payment to HMOs that only accept housing benefit tenants if the property is poorly maintained. Shut the properties down.	<p>The Council does not have the power to withhold housing benefit for poorly managed properties.</p> <p>Legislation such as Anti-Social Behaviour Crime and Policing Act 2014 does enable the Police and local authority Council to obtain a closure order in relation to premises. However, action under this legislation would only be relevant in extreme and exceptional cases, where a range of measures had failed.</p>
Restrict the number of HMOs that one individual can own.	There is no legislation that would enable a council to restrict the number of HMOs an individual may own.
Properties that are rented out by estate agents are already vetted. The Council should focus on housing that are in poor conditions	The Council recognises that many landlords provide quality safe accommodation that is well managed. The proposed licensing scheme is a strategically focused measure as part of a number of other measures and is based on the evidence obtained in relation to the private rented sector. A licensing scheme is area based and the Council would be unable to decide on exemptions for certain landlords within the designated areas.
Good landlords will think twice to rent out properties with additional costs and administration. Therefore, good	<p>The Council has considered the potential impact on supply and the risk of increased homelessness.</p> <p>Taking into account a range of studies and ONS on market rent trends, and the fee levels proposed there is little evidence to indicate adverse impacts on supply and homelessness as a result of licensing.</p>

housing stock would be reduced.”	
Licensing should only target bad landlords including those with high numbers of complaints	The Council recognises that many landlords provide quality safe accommodation that is well managed. The proposed licensing scheme is a strategically focused measure as part of a number of other measures and is based on the evidence obtained in relation to the private rented sector. A licensing scheme is area based and the Council would be unable to decide on exemptions for certain landlords within the designated areas.
A robust system for reporting problem landlords needs to be in place	The proposed scheme has clear objectives in relation to improving conditions, reducing serious hazards, reducing ASB, and tackling the issue of poorly managed HMOs, which affect tenants and residents and the local area. The scheme will enable more pro-active work to identify and inspect properties to enable issues to be addressed. If the licensing scheme is approved website information will promote information relating to reporting problem landlords.
Invest money / resources into the policing of ASB and crime. ASB is better tackled by the police including more CCTV, streetlights, patrols	Recent research published in the British Medical Journal (BMJ) in December 2022 reported on the impact evaluation of selective licensing schemes for private rented sector homes in London. The 5-year study found evidence of area-level reduction in anti-social behaviour, and positive impacts on mental health and wellbeing.
The council should focus on problems with social housing e.g., housing association and Council.	The housing association sector has its own regulatory framework overseen by the Regulator of Social Housing. The Council is a non-stock owning authority and does not own social housing.
HMOs should be banned / number of HMOs should be restricted	The Council has no powers to ban HMOs. The Council has recently introduced and consulted on an immediate Article 4 Direction, which requires new small house and flat shares (small HMOs) to seek planning permission instead of being covered by Permitted Development (PD). HMOs of 7 or more people, from more than one household, already require planning permission. Relevant information may be obtained from the Council’s website.
Include rent control / caps	The Council has no powers to introduce rent controls or caps
Consultation is biased / flawed / misleading questions	The Council appointed ORS, an independent and highly respected social research consultancy with many years’ experience of devising and running public consultation projects, to lead the public consultation for the Council. In addition to the structured consultation questionnaire respondents had the opportunity to submit their views in a number of ways, enabling a wide range of comments and views to be expressed, in addition to providing free text comments.

<p>Whilst the Council would not enforce landlords to acquire an EPC rating of at least C, the conditions could encourage it as a means of improving health in the area.</p>	<p>Pending regulations will require landlords to meet EPC rating C by 2025. This information will be publicised by the Council as part of the information on licensing and as part of the public information work in relation to the private rented sector, and ongoing work with landlords, such as via the private landlord forum. Information on the availability of any government grants for example relating to energy efficiency improvements that could be bid for will be published.</p>
<p>An opportunity to just add to empower the tenants themselves as to awareness of their rights.</p>	<p>The conditions attached to licensing address the need to set out the rights and responsibilities of landlords and occupiers. For example, information on how to make a complaint about any issues will be required to be provided to the occupiers.</p>
<p>Bad landlords will move to other area / the problems will move with them</p>	<p>The Council recognises that this may happen in some cases, however, the Council will continue its enforcement work in areas outside of the licensing areas and will continue its work to identify and respond to evidence of poorly managed properties or poor conditions in the private rented sector. The Council will continue to operate the mandatory HMO licensing scheme which applies to those HMOs with six or more individual, is covered by mandatory licensing regulations and covers the whole of the Borough.</p>
<p>Issues with developments of HMOs in small residential properties, with little consideration for plumbing, drainage, parking, and storage of rubbish.</p>	<p>Issues in relation to licensing conditions would be dealt with under the licensing scheme if approved. Matters relating to the development of HMOs would be addressed by the Planning team, including in relation to the Article 4 Direction.</p>
<p>Poorly managed, often substandard, HMOs that may leave vulnerable people without support and at risk of themselves and other residents.</p>	<p>As part of publicising the scheme widely, if approved, information will be targeted at occupiers regarding their rights, and where to access advice and support services. The licence conditions will be publicised which will include information on how to raise issues of concern.</p>
<p>Consider partnerships with stakeholders such as Shelter, Law Centres, advice centres, and the Police to tackle antisocial behaviour in replacement of / in addition to its proposals for the PRS.</p>	<p>The Council will continue to work with strategic partners such as Safer Merton, Environmental Management teams, and the Police, to tackle ASB and improve housing conditions in the private rented sector. The Council will work with external agencies operating in the Borough such as Citizens Advice, and other agencies providing welfare and legal rights advice and assistance to the local community.</p>

Potential reduction of affordable housing - demand in Merton is already higher than the London average	The Council recognises the demand for affordable housing in the borough which is driven by market forces. Data from a number of studies and ONS data on market rent trends show there is little evidence to indicate adverse impacts on supply as a result of licensing.
The percentage of terraced houses in Merton is significantly higher than in the rest of London and England. Meeting licensing conditions could be particularly costly in older, terraced houses.	The Council recognises that meeting property standards in older properties may be more challenging for some landlords, however, the objective of licensing is to improve conditions and ensure that private rented properties meet the health and safety standards required.
Council to provide an annual summary of its outcomes	If the licensing scheme is approved, the Council will publish annual performance information relating to the scheme objectives and outcomes.
An alternative regulatory framework to educate landlords in improving the standards of their housing stock.	Alternative regulatory framework would be a matter for Government.
It is important that the government provides councils with adequate resources so that proactive enforcement becomes widespread.	Additional resourcing for councils would be a matter for Government
Length of licence should be shorter	A shorter licensing period would be likely to impact on the cost of operating a scheme and increase the fees charged. The Council may consider reducing the length of the licence if a particular landlord has a record of poor management or has not complied with certain licensing requirements.
Only one licence per landlord	The legal requirement in relation to property licensing is for a property to meet the conditions specified and to have a licence issued in relation to that property.

Appendix B: Selective Licensing Conditions

1. If gas is supplied to the property, the Licence Holder must produce to the Council, annually or within 7 days of a written request, a Gas Safety Certificate obtained in respect of all gas appliances in the property within the last 12 months. The Gas Safety certificate must be issued by a registered Gas Safe contractor (as required by the Gas Safety (Installation and Use) Regulations 1998).
2. The Licence holder keep all electrical appliances in the property in a safe condition, in good repair and in a clean condition, and provide when requested by the Council a current Portable Electrical Equipment Test Report.
3. The Licence holder ensures that all fixed electrical installations are inspected and tested at intervals not exceeding 5 years by a person qualified to undertake such inspection and testing and obtain a certificate from the tester specifying the results of the test provided when requested a current electrical test certificate.
4. The Licence holder agrees to ensure that all furniture and fittings comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988.
5. The licence holder must ensure that a smoke alarm is installed on each story of the house on which there is a room used wholly or partly as living accommodation and keep each alarm in proper working order. The licence holder must also supply the council, on demand, with a declaration by him as to the condition and positioning of the alarms.
6. The licence holder must ensure that the carbon monoxide alarm is installed in any room which is used wholly or partly as living accommodation and contains a fixed combustion appliance other than a gas cooker. The alarm must be kept in good working order and the licence holder must supply a declaration, on demand, to the council as to the condition and position of any alarms.
7. Supply to the occupants a tenancy agreement or occupancy agreements showing the terms upon which they occupy the property and provide copies to the Council upon request.
8. Tenancy or occupancy agreements to contain terms relating to date of commencement, rent, termination, security of tenure, grounds for possession, repairs, and occupant responsibilities in relation to pets, preventing anti-social behaviour, nuisance, harassment, and annoyance to third parties.
9. The licence holder must demand references from persons who wish to occupy the property. No new occupiers should be allowed to occupy the property if they are unable to provide a suitable reference. When referencing, consideration must be given to the tenant's history, credit and right to rent checks. The licence holder must provide evidence of such reference and checks carried out when requested by the Council within 14 days on demand.
10. The licence holder must protect any deposits taken from the occupiers under an assured short-hold tenancy agreement, by placing them in a statutory tenancy deposit scheme.

11. The licence holder must give information about the scheme being used to the occupier within the statutory time limit (currently 30 days) of the time the deposit is taken. When requested this information must be provided to the Council within 14 days on demand.
12. The license holder agrees to give information to the tenant prior to occupation about anti-social behaviour (ASB) and the standard of behaviour expected and what the results of ASB could be, namely that the police or local authority could become involved, that they may have to appear in Court or lose their tenancy.
13. The license holder must ensure that the responsibilities of occupiers, particularly in relation to ASB, nuisance and refuse, are provided in writing and that documents of occupiers' signed acceptance are retained for inspection by the Council if requested.
14. The Licence Holder must ensure that sufficient bins or other suitable receptacles are provided and are adequate for the requirements of each household in the property for the storage of refuse and litter pending their disposal, and that overflowing does not occur.
15. The Licence Holder must ensure that no appliances or other equipment, is stored or accumulates within the curtilage of the property. Where such accumulations are unavoidable, they shall be removed as soon as reasonably practicable.
16. License Holder must give instructions to tenants, at the beginning of their occupancy, regarding the storage and disposal and recycling arrangements in place in respect of refuse.
17. Evidence must be provided to the Council on application showing sufficient evidence that arrangements have been made for the collection, storage, and disposal of waste.
18. The Licence Holder must ensure that wherever possible waste arising from building works or improvements to the house, does not accumulate in the curtilage to the property. Where such accumulations are unavoidable, they shall be removed as soon as reasonably practicable.
19. The Licence Holder must ensure that the property is free from Category 1 Hazards and meets the Housing Health & Safety Rating System (HHSRS) standards as set out in the Council's Houses in Multiple Occupation (HMO) Requirements document.
20. When requested, the licence holder must provide an Annual Buildings Insurance Certificate on application and thereafter on request, to the Council.
21. The Licence Holder must provide an Energy Performance Certificate for the property on application, and thereafter on request, to the Council.
22. The licence holder must provide on application a BS5389 test reports relating to any fire detection system and thereafter when requested. They must also provide on application a BS5266 test reports relating to the emergency lighting (if applicable) and thereafter when requested.

23. The licence holder must ensure that they address hazards associated with lack of space within the dwelling for living, sleeping and normal family/household life, and comply with the space standards as set out in Schedule 4 of the Housing Act 2004 relating to:

- The maximum number of people allowed to occupy the property.
- The maximum permitted number of persons per room

Appendix C: Additional Licensing Conditions

1. If gas is supplied to the property, the Licence Holder must produce to the Council, annually or within 7 days of a written request, a Gas Safety Certificate obtained in respect of all gas appliances in the property within the last 12 months. The Gas Safety certificate must be issued by a registered Gas Safe contractor (as required by the Gas Safety (installation and Use) Regulations 1998).
2. The Licence holder keep all electrical appliances in the property in a safe condition, in good repair and in a clean condition, and provide when requested by the Council a current Portable Electrical Equipment Test Report.
3. The Licence holder ensures that all fixed electrical installations are inspected and tested at intervals not exceeding 5 years by a person qualified to undertake such inspection and testing and obtain a certificate from the tester specifying the results of the test. Provide when requested a current electrical test certificate.
4. The Licence holder agrees to ensure that all furniture and fittings comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988.
5. If gas is supplied to the property, the Licence Holder must produce to the Council, annually or within 7 days of a written request, a Gas Safety Certificate obtained in respect of all gas appliances in the property within the last 12 months. The Gas Safety certificate must be issued by a registered Gas Safe contractor (as required by the Gas Safety (installation and Use) Regulations 1998).
6. The Licence holder keep all electrical appliances in the property in a safe condition, in good repair and in a clean condition, and provide when requested by the Council a current Portable Electrical Equipment Test Report.
7. The licensee must ensure that all fixed electrical installations are inspected and tested at intervals not exceeding 5 years by a person qualified to undertake such inspection and testing and obtain a certificate from the tester specifying the results of the test. Provide when requested a current electrical test certificate.
8. The Licence holder ensures that all fixed electrical installations are inspected and tested at intervals not exceeding 5 years by a person qualified to undertake such inspection and testing and obtain a certificate from the tester specifying the results of the test. Provide when requested a current electrical test certificate.
9. The Licence holder agrees to ensure that all furniture and fittings comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988.
10. The licence holder must ensure that a smoke alarm is installed on each story of the house on which there is a room used wholly or partly as living accommodation and keep each alarm in proper working order. The licence holder must also supply the council, on demand, with a declaration by him as to the condition and positioning of the alarms.

11. The licence holder must ensure that the carbon monoxide alarm is installed in any room which is used wholly or partly as living accommodation and contains a fixed combustion appliance other than a gas cooker. The alarm must be kept in good working order and the licence holder must supply a declaration, on demand, to the council as to the condition and position of any alarms.
12. The licence holder must ensure that they address hazards associated with lack of space within the dwelling for living, sleeping and normal family/household life, and comply with the space standards as set out in Schedule 4 of the Housing Act 2004 relating to:
 - The maximum number of people allowed to occupy the property.
 - The maximum permitted number of persons per room
13. Supply to the occupants a tenancy agreement or occupancy agreements showing the terms upon which they occupy the property and provide copies to the Council upon request.
14. Tenancy or occupancy agreements to contain terms relating to date of commencement, rent, termination, security of tenure, grounds for possession, repairs, and occupant responsibilities in relation to pets, preventing anti-social behaviour, nuisance, harassment, and annoyance to third parties.
15. The licence holder must demand references from persons who wish to occupy the property. No new occupiers should be allowed to occupy the property if they are unable to provide a suitable reference. When referencing, consideration must be given to the tenant's history, credit and right to rent checks. The licence holder must provide evidence of such reference and checks carried out when requested by the Council within 14 days on demand.
16. The licence holder must protect any deposits taken from the occupiers under an assured short-hold tenancy agreement, by placing them in a statutory tenancy deposit scheme.
17. The licence holder must give information about the scheme being used to the occupier within the statutory time limit (currently 30 days) of the time the deposit is taken. When requested this information must be provided to the Council within 14 days on demand.
18. The license holder agrees to give information to the tenant prior to occupation about anti-social behaviour and the standard of behaviour expected and what the results of anti-social behaviour could be, namely that the police or local authority could become involved, that they may have to appear in Court or lose their tenancy.
19. The license holder must ensure that the responsibilities of occupiers, particularly in relation to ASB, nuisance and refuse, are provided in writing and that documents of occupiers' signed acceptance are retained for inspection by the Council if requested.
20. Notice boards in communal areas must display the requirements of occupiers to comply with the requirements in respect of avoiding ASB, nuisance and refuse management issues.

21. The Licence Holder must ensure that sufficient bins or other suitable receptacles are provided and are adequate for the requirements of each household in the property for the storage of refuse and litter pending their disposal, and that overflowing does not occur.
22. The Licence Holder must ensure that no appliances or other equipment, is stored or accumulates within the curtilage of the property. Where such accumulations are unavoidable, they shall be removed as soon as reasonably practicable.
23. License Holder must give instructions to tenants, at the beginning of their occupancy, regarding the storage and disposal and recycling arrangements in place in respect of refuse.
24. Evidence must be provided to the Council on application showing sufficient evidence that arrangements have been made for the collection, storage, and disposal of waste.
25. The Licence Holder must ensure that wherever possible waste arising from building works or improvements to the house, does not accumulate in the curtilage to the property. Where such accumulations are unavoidable, they shall be removed as soon as reasonably practicable.
26. The Licence Holder must ensure that the property is free from Category 1 Hazards and meets the Housing Health & Safety Rating System (HHSRS) standards as set out in the Council's Houses in Multiple Occupation (HMO) Requirements document.
27. When requested, the licence holder must provide an Annual Buildings Insurance Certificate on application and thereafter on request, to the Council.
28. The Licence Holder must provide an Energy Performance Certificate for the property on application, and thereafter on request, to the Council.
29. The licence holder must provide on application a BS5389 test reports relating to any fire detection system and thereafter when requested. They must also provide on application a BS5266 test reports relating to the emergency lighting (if applicable) and thereafter when requested.

Appendix D: Schedule of Proposed Charges for Licensing

Licensing costs will be dependent on accreditation and time of application. Merton council will be offering an “Early Bird” discount of 10% to those who apply for a licence within the first two months of the scheme. A discount of 10% of the total fee will be applied to the part B payment, followed by the accreditation discount where applicable.

An applicant who is accredited under, or is a member of one of the following recognised schemes, may be entitled to a discount of £50.00:

- London Landlord Accreditation Scheme (LLAS)
- National Residential Landlords Association (NRLA)
- National Approved Lettings Scheme (NALS)
- UK Association of Lettings Agents (UKALA)
- Association of Residential Lettings Agents (ARLA)
- Royal Institution of Chartered Surveyors (RICS)

Applicants who are both accredited and apply within the Early Bird timeframe will receive a combined discount.

Discounts will be determined on submission and assessment of the full application and supporting documents. A discount will not apply where:

- a) The Council has made two or more consecutive requests for additional supporting documents or information.
- b) The Council has served a warning letter or notice for failure to license a property.

Licence fees are payable in two instalments. Part A fees are payable at the application stage. If the licence application is refused by the Council or withdrawn by the applicant, the Part A payment will not be refunded.

Payment in respect of the Part B instalment will be required to be paid once the application has been assessed and the decision made to grant a licence. This payment will be required to be made within 7 days.

The licensing fees, including available discounts, are presented in the following tables:

Selective Licensing Fees			
Selective Licence	Part A	Part B	Total Fee
Standard Fee	£247	£445	£692
Early Bird	£247	£376	£623
Accredited Landlord	£247	£395	£642
Accredited Landlord & Early Bird	£247	£326	£573

Additional Licensing Fees

Additional Licence number of bedrooms	Part A	Part B	Standard (no discount)
2	£247	£1,203	£1,450
3	£247	£1,253	£1,500
4	£247	£1,303	£1,550

Additional Licence number of bedrooms	Part A	Part B	Early Bird Licence Fee
2	£247	£1,058	£1,305
3	£247	£1,103	£1,350
4	£247	£1,148	£1,395

Additional Licence number of bedrooms	Part A	Part B	Accredited Landlord
2	£247	£1,153	£1,400
3	£247	£1,203	£1,450
4	£247	£1,253	£1,500

Additional Licence number of bedrooms	Part A	Part B	Early Bird & Accredited Landlord
2	£247	£1,008	£1,255
3	£247	£1,053	£1,300
4	£247	£1,098	£1,345

Additional charges are as follows (these apply to both selective and additional licences)

Process	Fee
Revocation of Licence	None
Application following revocation of licence	New Application Fee
Application refused or rejected	Part A Fee
Application withdrawn by applicant	Part A Fee
Temporary Exemption Notice (TEN) made by the Council	None
Application received following expiry of a TEN made by the Council	New Application Fee

Three examples of the application of the 10% discount are provided below:

Example of Application of Multi-Property Discount	Part A	Part B	Total Fee
Standard Selective Licensing Fee (1 st property in a single block)	£247	£445	£692
10% Multiple dwelling discount on further properties within that block: (10% of £692 full fee = £69 discount on part B)	£247	£376	£623

Early Bird Selective Licensing Fee (1 st property in a single block)	£247	£376	£623
10% Multiple dwelling discount on further properties within that block: (10% of £692 full fee = £69 discount on part B)	£247	£376	£623

Accredited Landlord & Early Bird Selective Licensing Fee (1 st property in a single block)	£247	£326	£573
10% Multiple dwelling discount on further properties within that block:	£247	£257	£504

Committee: Cabinet

Date: 19 June 2023

Wards: All wards.

Subject: Merton Event Management and Safety Advisory Groups (SAG)

Lead Director: Dan Jones, Executive Director Environment Civic Pride and Climate

Lead member: Cllr Eleanor Stringer, Cabinet Member Civic Pride

Contact officer: Calvin McLean / James Armitage

Recommendations:

That Cabinet:

- A. Establish a single events application and tracking process, associated fees and charges and clear responsibility for processing of applications and administration of meetings including Safety Advisory Group meetings.
 - B. Approve the schedule of fees and charges shown in Appendix E.
 - C. Adopt the new Events Policy and SAG (Safety Advisory Group) Terms of Reference.
 - D. Allocate the responsibility for Charing SAG meetings to the Assistant Director for Public Protection (or suitable delegate) and mandate that sports ground safety and associated events are to follow the same processes and procedures for other events as recommended by this report.
 - E. Delegate to the Executive Director of Environment, Civic Pride and Climate, in consultation with the Cabinet Member for Civic Pride, amendments to the application process and associated fees and charges.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report recommends improvements to the management of events in Merton including a policy that sets out a clear framework, a single route for applications, visibility and tracking of the event management process and arrangements for Safety Advisory Group Meetings. This will ensure that events in Merton support the Civic Pride agenda by ensuring that:
 - Events in Merton are safe, successful and well run
 - Merton attracts events, people and inward investment
 - Merton events are publicised and promoted
- 1.2. The report also contains an overview of the audit carried out by the Sports Grounds Safety Association (SGSA) of Merton to assess the effectiveness of its arrangements for the regulation of health & safety at the new Plough Lane stadium. This is the second SGSA audit Merton has received.
- 1.3. The audits carried out by the SGSA rate a local authority as Red, Amber or Green. Following this first audit the Council has been rated as amber (medium risk), resulting in an increased annual audit frequency.

The findings of the SGSA audit and action plan are appended to this report.

DETAILS

2. EVENT MANAGEMENT AND SAG REMIT

- 2.1. A review was carried out early in 2023, led by the RSP. Membership of the working group included Safer Merton, Building Control, Parks & Public Spaces, Future Merton, Emergency Planning and partners from the Metropolitan Police, London Ambulance Service and the London Fire Brigade.
- 2.2. The review considered the full range of events that take place in Merton including those at regulated Sports Grounds, externally delivered public events, public events delivered by Merton Council, Temporary Event Notices (where the nature of the event requires enhanced management), events on council land, and ad-hoc events including street parties, big screen TV, Christmas lights switch on, etc.
- 2.3. The review revealed that the Council currently has a number of different processes in place for event management but no consistent or formalised process by which these events in Merton are notified, tracked, triaged or scrutinised; nor is there a consistent process as to how or when a SAG is formed. There is a risk that a SAG may not be convened for some key public events. Not all SAG meetings are run in accordance with the EPC UK Good Practice Guide to working in Safety Advisory Groups.
- 2.4. There is also no single method of tracking events and event management in Merton and no overarching policy covering Merton's approach to event management – in particular, that determines the extent of scrutiny necessary for the different types and sizes of event that take place and the criteria used to decide when a SAG should be convened.
- 2.5. Whilst there is not legal requirement to hold a Safety Advisory Group it is a nationally recognised good practice and an essential safety tool. The UK Good Practice Guide to Working in SAG's outlines the roles of a SAG and recognises that it is generally Chaired by a Local Authority.
- 2.6. The function of the SAG is to provide advice to ensure the highest standard of public safety and to protect the wellbeing of anyone who may be affected by the event. A SAG not only focuses on the safety within the event footprint but public safety aspects around the event site.
- 2.7. A SAG should not be involved in the planning of an event and there should be a policy in place that supports the formation of a SAG
- 2.8. The broad categories for which a SAG is required include:
 - a) Sports Ground Safety (e.g., All England Lawn Tennis Club / AFC Wimbledon/Tooting and Mitcham FC)
 - b) Externally delivered public events upon Merton land or public spaces that are likely to have an effect on residents and businesses
 - c) Public events delivered by Merton Council as organising body
 - d) Ad-hoc Events (including events at short notice) that have the potential to affect residents or the immediate and surrounding area
- 2.9. A well governed SAG built into an overarching event management process can:
 - a) Make it easy for event organisers to apply to host events in Merton

- b) Ensure that that Merton Council operates a single organisational policy for the management of public events with clear lines of responsibility and adequate resilience for the discharge of the functions
- c) Provide a structured method of engaging with event organisers so that the requirements of the council and its partners can be met (including having a Premises Licence in force with SAG oversight following consideration by a Licensing Sub-Committee) and giving organisers the confidence to operate events in the knowledge that public events taking place in Merton are supported by coherent event management and SAG arrangements
- d) Ensure that events that take place in Merton are safe, successful and well-run, protecting event attendees, event staff and surrounding residents/public from nuisance, anti-social behaviour and public order issues
- e) Reduce enforcement and reactive work as a result of a poorly run event
- f) Support the Civic Pride aspirations by making Merton an attractive place to hold public events and enable key events to be publicised and promoted by the Council's Communications team
- g) Support local businesses and the Night-time Economy by attracting people and inward investment to Merton
- h) Facilitate the briefing of Members and senior officers on events taking place in Merton
- i) Help the Council fulfil its duties under the Occupiers Liability Acts when hiring out its land by ensuring any recommendations or advice is taken into account. The Acts require landowners to take reasonable steps so that persons entering the premises are kept reasonably safe
- j) Build relationships with safety partners and embed cross team working
- k) Ensure alignment with the forthcoming 'Protect' duty in Martyn's Law.

2.10. The review also looked at options for electronic case management systems that incorporate application, payments and processing functionality with the ability to run MI reports and share information within the organisation about events. Options considered included the existing CRM system, an unused module of the NEC M3 database *Artifax* and proprietary, third-party software such as *EventApp*.

2.11. The review circulated terms of reference for a SAG and a draft events policy to those within the working group. Feedback has been received and amalgamated into a comprehensive policy document prior to any full consultation. Overall, positive feedback has been received and the working group was fully supportive on the objective to improve and formalise the SAG and events process.

3. SPORTS GROUND SAFETY

3.1 The Borough is home for AFC Wimbledon who moved from the Kingsmeadow Ground in Kingston to play fixtures in the new stadium at Plough Lane in Wimbledon in November 2020. The new ground has a total capacity of around 9,200 spectators.

3.2 Whilst Merton has a long history of hosting other large-scale sporting events, the frequency and potential impact of the activities at Plough Lane are understandably considered to be of a far greater risk in relation to nuisance, anti-social behaviour and public order.

- 3.3** In order to play football league fixtures at the new site, the ground has been designated a sports ground by the Secretary of State for Digital, Culture, Media and Sport. This designates Plough Lane as a Sports Ground for which a safety certificate is required.
- 3.4** The Safety at Sports Grounds Act 1975 (75 Act) and the Fire Safety and Safety of Place of Sport Act 1987 (87 Act) are the primary legislation that directs the Local Authority to fulfil its statutory functions. Section 17 of the 75 Act defines sports grounds as “A place where sports or other competitive activities take place in the open air, and where accommodation has been provided for spectators, consisting of artificial structures, or of natural structures artificially modified for the purpose”. Part III of the 87 Act outlines that regulated stands are “covered accommodation for 500 or more spectators to view activities at the ground”. As such, there are a number of Sports Grounds and regulated stands in Merton that fall within these definitions including the All England Lawn Tennis Club, AFC Wimbledon at Plough Lane and Tooting and Mitcham Football Club
- 3.5** As part of the issue of a safety certificate, Merton is required to:
- Determine applications for Safety Certificates and, where granted, to enforce compliance with terms and conditions, subject to which such certificates are granted;
 - Hold Safety Advisory Group meetings;
 - Carry out During Play Inspections (DPIs), and
 - Undertake annual inspections.
- 3.6** Similarly, now that Merton has a football club within the Borough which requires general safety certification under the 75 Act, the authority is now subject to audit by the SGSA under Section 13 of the Football Spectators Act 1989. A report detailing the outcome of the first SGSA audit was considered by DMT in December 2021.
- 3.7** The audits carried out on local authorities by SGSA Inspectors cover nine key areas of the local authority’s performance:
- Compliance with actions from previous audit (if applicable)
 - Safe capacity
 - SAG governance and performance
 - Safety certification
 - Monitoring
 - Enforcement
 - Training and expertise
 - Business continuity and resilience planning
 - Confidence in LA discharge of duties and safety culture
- 3.8** The audit was carried out by the SGSA Inspector on the 22nd July 2022 in the presence of the Interim Head of Regulatory Services Partnership and Trevor McIntosh, Senior Building Control Liaison Officer and Chair of the Safety Advisory Group for AFC Wimbledon.
- 3.9** The broad findings of the audit were that actions from the last audit were all completed, that essential paperwork was in place and the competency of the current staff was adequate. However, a focus was applied to the lack of resilience available to the Council to deliver the functions required. These findings are addressed within the recommendations of this report.

- 3.10** A recent review of Safety Advisory Group arrangements has identified that the sports grounds safety function is almost solely delivered by the Senior Building Control Liaison Officer. Current SAG guidance requires the SAG chair should have an unbiased view and the role of SAG chair should be separate to that of inspecting officer(s).
- 3.11** Recommendations from SGSA call for increased resilience, a review of current documents, policies and procedures and a dedicated secretariat for the administration of SAG duties. Additionally, recommendations refer to ensuring the safety certification conditions are adhered to and there is proactive working with sports grounds.
- 3.12** Currently the Sports Ground safety service is not resilient, with no succession planning and the comment from the SGSA auditor highlighted that “resilience in terms of qualified and competent officers to enforce this legislation is low.”

4 OPTIONS APPRAISAL

4.1 External Public Events

4.1.1 Event application & tracking process

Option 1 ‘Do nothing’ (this is not recommended)

- Tolerate current arrangements of multiple event notification channels with no formalised or consistent approach to triage, tracking or scrutiny of events.
- Risks poor or inconsistent application of policy, reduced event activity in Merton and failure to realise the benefits set out in 2.9, above.

Option 2 ‘Do minimum’ (this is the interim recommended option)

- Establish an events webpage on the Council site that provides a single route for event organisers to apply to hold an event in Merton as well as information for event organisers on what sort of events require an application and the sort of information needed (including the contract to use a site and the licensing process involved).
- Publish a schedule of fees and charges that are to be levied on application for the site contract. The amounts will vary depending upon the size and complexity of the events and would seek to recover the administration costs associated with the event management process, benchmarked and in line with other local authority systems. Payment integration with the application process would be ideal.
- Allocate responsibility for the capture of event applications and triage process to the Event Officer within the Parks & Leisure Services team for all events in Merton. This role will be responsible for accepting and validating all event applications, deciding what level of treatment is to be applied to each (based on the policy set out below) and coordinating event management meetings and SAG, as appropriate. This will include the relevant administrative work associated with processing event applications, payments, triage and meetings.
- Draw up an event tracker that will detail the applications and key details, the result of the triage process, dates of meetings set and a summary of the decisions made. This tracker will be shared with key stakeholders within Merton Council and provide a forward plan of events in Merton, help to manage conflicts, identify opportunities (gaps in the schedule) and allow events to be promoted and members to be briefed.

- Events arranged and operated by Merton Council will be subject to the same processes as events operated by third parties to ensure that the same safety standards are applied as well as to offer reassurance that the council's obligations have been fulfilled. Where there is a conflict of interest, the SAG Chair should declare a conflict of interest and in these cases an alternative Chair should be sought – in line with the advice provided within the EPC UK Good Practice Guide to working in Safety Advisory Groups. Options for Merton include seeking a reciprocal arrangement with the SSA (Shared Staffing Arrangement for Richmond and Wandsworth) or formalising an arrangement with CHAS to Chair for inhouse run events.
- The above actions can be completed with a minimum of cost and effort whilst activity to complete option 3, if accepted, is progressed.

Option 3 'Do something' (this is the recommended option)

- Procure an event management application that will provide an integrated solution to event management including user-friendly application and payment processes, storage for event-related documentation, a built-in tracker and the ability to interrogate data with MI reports.
- Adoption of such a system would provide process efficiency by reducing the amount of manual processing time and reducing multiple processes into one application, capability to manage a growing number of events, engage and communicate easily with event organisers and other partners and stakeholders.
- *EventApp* is one of the solutions considered. Set-up and running costs are negligible. It is proposed that the council should look to recoup the costs of this system plus reasonable costs of managing major events through the application process. A table of fees and charges is included at Appendix E for Cabinet approval, subject to consultation.

4.1.2 Event application fees and charges

Option 1 'Do nothing' (this is not recommended)

- Tolerate the current arrangements where no fees are charged to event organisers.
- This option would result in the council not recovering its reasonable costs of administering the event management process.

Option 2 'Delegate'

- Delegate the decision to the Executive Director for Environment & Regeneration who will commence a fee setting exercise for the event management process.
- This option would provide more time for the fees and charges to be considered.

Option 3 'Approve the fees as proposed' (this is the recommended option)

- Approve the proposed schedule of fees and charges as shown at Appendix E.
- This would allow the council to begin to recover its reasonable costs of administering the event management process and the initial setup costs of the EventApp.

4.1.3 Event and SAG Policy and Terms of Reference

Option 1 'Do nothing' (this is not recommended)

- Tolerate the current arrangements where events are assessed on an ad-hoc policy without reference to an overarching policy.
- Risks poor or inconsistent application of rules for events and risk that some aspects of events are not properly or fully considered by the Council or its partners. Benefits set out in 3.9, above may not be realised.

Option 2 'Do something' (this is the recommended option)

- Adopt the appended Events Policy and SAG Terms of Reference as written or with amendments following full consultation.
- This policy will provide the Council with a statement of the key principles by which Merton Council, with its partners, will approach the authorisation and management of events. It will provide a framework against which public events can be consistently categorised and managed to effectively discharge the council's functions and ensure that the benefits set out at 3.9, above are realised to their full extent.
- Formally establish a core SAG Group involving key partners and stakeholders.
- Deliver refresher training on public/event safety to internal stakeholder ensuring that event safety management plans can be effectively critically scrutinised and that staff are familiar with the new policy and working arrangements for events and SAGs.

4.1.4 SAG operation

Option 1 'Do nothing'

- Tolerate the current arrangements for SAG, where there is ad-hoc governance, inconsistency of meetings, reduced minutes or reports and a lack of an audit trail.

Option 2 'Do Something'

- The SAG Chair role will revert to the Assistant Director for Public Protection, or suitable delegate.
- An independent Chair is to be appointed in the event of a conflict of interest with Merton Council-run events.
- Membership of SAG meetings will include the Regulatory Services partnership as well as other key partners and stakeholders, therefore increasing the resilience and ensuring safety expertise in the service is effectively utilised but keeping technical skills in the building control section. A review of SAG partners to take place
- Secretariat support to be provided to ensure that a full audit trail is in place provided confidence to all SAG partners and event organisers.
- SAG meetings to be programmed in throughout the year in advance and shared with all SAG partners. Allowing events to be allocated a suitable date and linked into the event tracker.

4.1.5 Sports Ground Safety

Option 1 'Do nothing'

- Tolerate the current arrangements for Sports Grounds and events associated with these including the current conflicts of interest and lack of resilience.

Option 2 'Do Something'

- The SAG Chair role will revert to the Assistant Director for Public Protection, or suitable delegate.
- The events policy would not apply to sports ground safety. Separate terms of reference are available for sports ground safety and should be replicated for all sports grounds.
- Membership of SAG meetings will include the Regulatory Services partnership as well as other key partners and stakeholders, therefore increasing the resilience and ensuring safety expertise in the service is effectively utilised but keeping technical skills in the building control section.
- The schedule of fees and charges referred to above should include fees relating to the issue of sports grounds safety certificates and designations to ensure that the council is able to recover its reasonable costs.
- Deliver training to officers to maintain competency in sports grounds safety requirements and practice as well as familiarisation with this new approach to events and SAGs to cover all sports grounds.
- Secretariat support to be provided to ensure that action points identified in the audit are addressed

4.1.6 SGSA Audit and Action Plan

For noting only

- 1.4. That DMT note the findings of the most recent SGSA audit in respect of AFC Wimbledon and the actions identified in the attached action plan, together with progress against each.

2 CONSULTATION UNDERTAKEN OR PROPOSED

The recommendations relate only to changes to internal mechanisms and arrangements for event safety and safety at sports grounds. On this basis, no external consultation is required.

3 TIMETABLE

- 3.1. It is proposed that the majority of the recommendations can be adopted within one to two months of being agreed. Procurement of a new event management application and agreement on fees and charges would be subject to routine procurement and accounting probity, respectfully.

4 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 4.1. Cost recovery under the Sport Ground Safety Act is very limited. The Council can recover officer time when applications are received from the Club to apply for, or to amend, a Safety Certificate, but in respect of all other enforcement actions there is no recovery of costs. The Council are responsible for ensuring conditions in the safety certificate are adhered to and inspections of the ground should take place.
- 4.2. The cost of resourcing the SAG, including the time of the Chair and other officers will need to be met from within the existing staffing resource. Resource capacity will be required to ensure the secretarial and administrative support required to facilitate the event management process and SAG meetings. It is recommended that this is based in Leisure & Culture Services.
- 4.3. Focused inspections looking at specific issues such as the sale of alcohol, street trading or food safety inspections will be carried out as required, but there will not be an opportunity to recover the costs of these activities other than covered by any separate licence application.
- 4.4. External and ad-hoc events have an option for some cost recovery and one of the recommendations incorporates a review of fees and charges to bring about event application fees. Hire fees for council land should also be reviewed.

5 LEGAL AND STATUTORY IMPLICATIONS

- 5.1. There are no legal implications for Merton as a direct result of the SGSA Audit.
- 5.2. Safety management of football grounds is a statutory function and failure to ensure proper scrutiny of the club's activities in relation to the Safety Certificate could result in the risk of litigation and a substantial impact on the reputation of the Council.
- 5.3. There is no legal requirement for the Council to hold a SAG if the event does not involve the sale of alcohol, dancing, regulated entertainment, or live / recorded music, but it is considered best practice. Regulation at non-council run events would sit with Merton Council and scrutiny at early planning stages can reduce time required for regulation and/or enforcement at the later stages. Likewise ensuring Council run events are reviewed by SAG can reduce risk and likelihood of litigation.
- 5.4. If the event involves the sale of alcohol, dancing, regulated entertainment, or live / recorded music, with a capacity over 499 people, the event will require a Premises Licence under the Licensing Act 2003 and, subject to objections, will be considered by the Licensing Sub-Committee, which will always seek to impose a condition requiring oversight by a SAG made up of the Responsible Authorities under that legislation if the capacity is significant. A Temporary Event Notice could provide the authorisation for an event below 499 people and would also require SAG oversight. Co-ordination between these processes and the SAG involved for the application for the site contract is crucial.
- 5.5. There is various Guidance that assists in formulating the management of events that a SAG will need to consider.
- 5.6. Each of the Responsible Authorities under the Licensing Act 2003 or the Safety Advisory Group members referred to above, will have powers in their own right to exert management over events. The co-ordination of those powers through a SAG is important for efficiency and coordination and to avoid duplication, to save costs of enforcement and to protect the public in attendance and residents in surrounding areas.

6 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 6.1. Whilst this report does not directly give rise to any equalities issues, it is important to note the Council's Public Sector Equality Duty (PSED) under Section 149 of the Equality Act 2010 (2010 Act). The Council must, when exercising its functions, have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited by the 2010 Act and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' under the 2010 Act and those who do not share a protected characteristic. A 'protected characteristic' is defined in the 2010 Act as age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. In exercising its functions, the Council must consider how its decisions will contribute to meeting the duty in light of other relevant circumstances.

7 CRIME AND DISORDER IMPLICATIONS

- 7.1. There are substantial implications for anti-social behaviour, crime and disorder in and around the new AFC Wimbledon stadium, other sports grounds. Officers maintain close liaison with the police and other SAG colleagues to ensure that the conduct of both home and visiting spectators is assessed. As part of sport ground safety considerations, the wider safety implications must be considered and mitigated against, the SAG process helps facilitate this and reduces the impact on residents and businesses.
- 7.2. Section 17 of the Crime and Disorder Act 1988 places a duty on all local authorities to have due regard to the likely effect its exercising of functions are likely to have on crime and disorder in its area, including antisocial behaviours and other behaviour adversely affecting the local environment. Public events can also have an impact of residents and businesses and close liaison with safety partners via the SAG process forms good partnership working, highlights concerns at an early stage and offers reassurance that these can be mitigated or prevented.

8 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 8.1. Officers continue to work closely with the SAG, the Club and the SGSA to ensure that the risks to the public and the Council are effectively managed. The Council could be heavily criticised if it failed to allocate sufficient resource in order to discharge its duties effectively under the Act.
- 8.2. Officers within the RSP and across Merton Council do engage with the current SAG's. Proper governance and arrangements would work to reduce the risk to Council and help to work to ensure all events are run and operated to highest safety standards. Full engagement by all agencies will greatly reduce the likelihood of an unsafe event.

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

- Appendix A – Events Policy Merton 2023
- Appendix B – Merton Events Terms of Reference
- Appendix C – SGSA Audit Report
- Appendix D – Action Plan
- Appendix E – Schedule of fees and charges (to follow)

10 BACKGROUND PAPERS

- 10.1. EPC UK Good Practice Guide to working in Safety Advisory Groups (not attached)

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Events Policy

DATE: March 2023

Contents

1. Purpose and Background
2. Benefits
3. Objectives
4. Definition of Events
5. Categorising of Events
6. The application and consultation process
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8. Confirmation and Promotion
9. Events not normally granted
10. Fees and Charges
11. Exemptions
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14. Legislation
15. Equalities and Diversities
16. Review

1. Purpose and Background

Merton Council is committed to enabling events within the borough and recognises that a diverse programme of varied and well-managed activities contributes to the promotion of a vibrant multi-cultural community.

This policy sets out the key principles by which Merton Council, with its key partners including the emergency service, Transport for London, British Transport Police and other key stakeholders, approach the authorisation and management of events.

The principles are based on a range of requirements which arise from legislation, guidance and other council policies. By setting these out clearly, the Council aims to make applying to hold an event in Merton transparent, leading to more successful and efficiently planned events.

This policy applies to all public events held in the borough that meet the definition below.

It sets out roles and responsibilities and acknowledges the considerable time and effort that can be involved in facilitating them.

2. Benefits

A well-managed and appropriate events policy brings positive benefits to the borough, including:

- Helping promote the area as a place of business, culture and community
- Playing a key part in Merton's vision of Civic Pride by drawing visitors to the borough.
- Enhancing the image of the borough
- Increasing the number of event applications as Merton is seen as a place to do business
- Providing residents with an interesting, fun, and diverse range of things to do
- Enhancing Merton's cultural offering and reputation as diverse and thriving borough
- Developing a strong community by increasing and improving cross community relations
- Providing business opportunities both at events and surrounding area
- Stimulating inward investment and regeneration

3. Objectives

The objectives of this policy are to:

- Ensure effective planning and management of events
- Ensure that pre-event consultation and planning takes place with event organisers and stakeholders
- Maximise the safety of the public, event attendees, the events workforce and ensure that safety is placed as a priority in decision making
- Provide a framework for the event application process
- Minimise disruption to residents and businesses
- Ensure that events are accessible to all

- Promote the Licensing Act objectives of public safety, prevention of crime & disorder, prevention of public nuisance & protection of children from harm
- Provide a fair and consistent and well co-ordinated approach to how events are supported and facilitated by the council

4. Definition of Events

An event is defined in this policy as:

A planned activity in a defined area or a specific location that will take place for a limited period that members of the public can attend. The activity can take place either indoors or outdoors, on public land or on private property. The activity or occasion can reasonably be expected to cause a public gathering that is not part of the normal course of business at that location and time.

5. Categorising Events

When applying, the following information will be required to determine what safety measures may be required and what fees and charges apply.

(i) The size of the event

Size	Audience Capacity*	How to apply	When to apply	Documentation and SAG
Small	Up to 799	Online application form	Minimum of 10 weeks before the event	Risk assessments must be submitted – for over 100 attendees there must be consideration of Martyns Law. Insurance should be considered for all events.
Medium	800 – 2000	Online application form.	Minimum of 18 weeks before the event	Risk assessments and proof of insurance must be submitted.
Large	2000 – 4000	Online application form.	Minimum of 24 Weeks before the event.	Full event management plan must be submitted, including risk assessments, contingency plans and

				copies of insurance
Major	Over 4000	Pre-consultation with events officer and evidence of discussion of the landowner/operator. Then submission of online application form.	Minimum of 36 weeks before the event	Full event management plan must be submitted, including risk assessments, contingency plans and copies of insurance

Note: (a) the audience capacity is the maximum number of attendees expected at the event at any one time.

(b): medium, large and major applications will need to be considered by the Safety Advisory Group (SAG). Small events considered by SAG are high-risk activities that could include live animals, Temporary Structures - Marquees, Spectator Stands, viewing platforms, fairground rides, ice rinks, etc. or fireworks.

The SAG meets at least every two months, so this should be considered when submitting applications. SAG do not approve events but can offer recommendations to event organisers. In rare cases, the SAG may direct (recommend) that the event does not proceed on safety grounds.

(ii) event type:

Commercial:

Commercial events are those that are intended to make a profit, including product launches, corporate events, other marketing and promotional activities. This also includes circuses, fairgrounds, and ticketed festivals.

Community:

These are events organised by local not-for-profit, community or voluntary groups that directly benefit the residents of Merton and do not provide significant advertising or other commercial benefit to a profit-making business or organisation.

Charity:

Events organised by registered charities, are predominantly fund-raising or awareness-raising events for the benefit of the charity. A registered charity number should be provided.

(iii) Other Considerations:

- Location
Is the event taking place within a park, on a highway, or in a building?
- What is the purpose of the event
For example, is it a family fun day, a concert or a political demonstration?
- What structures and activities will be included
For example, is there a circus big top, funfair rides, a large stage or tent, an inflatable, or a fireworks display?
- Audience:
Who is expected to attend the event? For example, is this predominantly a family event, or would the activities attract large groups of teenagers or young adults? Is it for local people or will there be transport issues resulting from people traveling some distance to attend?

6. The application and Consultation process

The stages of the application process are:

- Pre-consultation (Pre-application discussion) *Please note this is mandatory for major events only
- Application and payment of fees
- Processing and validation
- Planning meetings and Consultation with agencies
- Parks Friends groups will be informed of intended events and their comments considered by the council and event planners
- SAG meeting *
- Confirmation

- Evaluation and debrief

The applications process will be managed online, and all applications forms must be sent electronically via the council website. Application fee payment must be made at time of applications (see fees in section 10)

All applications will be checked by an events officer and once verified as complete, applicants will be informed about whether the event will be subject to consultation.

Consultation will involve meetings (to be known as event planning meetings) taking place with the necessary departments within the Council and external agencies to ensure all affected groups are aware of and prepared for the event. Planning meetings should always take place.

Consultation will be partly dependent on the size of the event being planned. Small events will not be subject to full consultation as they may have virtually no impact on the venue or the surrounding area. If a small event does require consultation this will generally only occur on the first occasion unless there are concerns raised once it has taken place.

Consultation on medium and large events must involve members of Merton's Safety Advisory Group and may involve stakeholders including Ward Councillors, Cabinet Members, and Friends Groups depending on the impact the event is likely to have.

Event planning meetings must have taken place before attendance at Safety Advisory Group.

7. Safety Advisory Group

The remit of the Safety Advisory Group (SAG) is to advise on whether an event should proceed on safety and not any other grounds. The consent of the council or 'landlord' may be withdrawn upon advice of the SAG on safety grounds only.

The core members of the SAG are Merton Council (Food and Safety Team, Licensing, Highways, Public Space (including Leisure, Parks and Waste, Metropolitan Police, British Transport Police, London Fire Brigade, and London Ambulance Service.

Members of the SAG will expect to review an Event Safety Management Plan (ESMP) before any event. An ESMP is required for all large and major events and some elements may be requested for medium and small events.

It is suggested that the ESMP will include, but not be limited to:

- Access/Egress Plans for attendees
- Cancellation procedure including adverse weather conditions
- Child and vulnerable adult protection
- Complaints procedure
- Concessions and caterers
- Crowd management
- Emergency control

- Emergency Contingency Plans
- Entertainment details
- Environmental / Sustainability impact
- Equal opportunity statement
- Event communication plan including named contacts and responsibilities
- Fire safety and evacuation
- First aid / medical
- Food safety
- Licensing requirements
- Lost children and property procedures
- Marketing
- Noise management
- Public liability insurance
- Resident and Business Liaison
- Risk assessments
- Security and stewarding provision
- Site plans
- Signage around the site
- Statement of intent
- Production and event timetable – including set up and break down
- Ticketing Procedure (If ticketed)
- Transport management plan – including parking and public transport
- Volunteering Plan
- Waste management
- Welfare and Sanitary Provisions

Event organisers can use their own form but a template event management plan for smaller events is provided on the website [here](#).

The SAG will also co-ordinate any safety debriefs meetings that take place post event. A debrief is required by Merton Council for all large and major events. A debrief will also take place for small and medium events to see if there have been any safety concerns noted by the council or any of the partners. Safety concerns must be notified to the Events Officer in writing/email to trigger a debrief for small events.

The decision-making structure for events is based on a bronze, silver and gold model. Bronze is the officer level input where the technical knowledge lies. It is bronze officers that attend planning and consultation meetings. Bronze level have practical/technical advice that can be shared with organisers, departments and external agencies. Silver is the management level group and for most events would have responsibility for making decisions through the Safety Advisory Group (SAG). Gold would be at Director/Executive level and consider recommendations from the SAG where there are significant potential risks to safety and/or reputational and legal issues to be considered before an event can be agreed.

All issues will be discussed with event organisers so that the safety risk can be resolved. It is recognised that cancellation of an event is the last resort but in cases where there is increased risk to public safety if the event proceeds, this recommendation will be passed to Director/Executive level.

8. Confirmation and Promotion

Once consultation has taken place with the necessary agencies, documents have been reviewed and the council is satisfied that all requirements have been met, then an agreement in principle will be issued. This agreement will be subject to compliance with any pre-event conditions, payments (including deposits) and the requirement to obtain any licences etc.

Once the event is confirmed the events will be promoted through the following means:

- Including the confirmed event on the council's calendar of events page on the website at least 4 weeks prior to the event taking place
- Notifying by email and social media to those registered for event updates
- Holding a stakeholder meeting with the event organiser in attendance for any large or major event at least 6 weeks prior to the event taking place

9. Events not normally granted approval

Normally no more than one event will be approved to take place on the same day in any park or open space. (An exception may be when the events are complementary and take place alongside one another with the agreement of both organisers). If multiple applications are received an alternative date or venue will be offered to one or both organisers. Event organisers may be required to move the venue or date for other reasons.

Additionally, the following will not be approved:

- Events that are deemed inappropriate such as those that will have a detrimental effect on the "normal use" of the area and those that fail to comply with the terms and conditions of hire. This will be found on the Council website.
- Events that promote any political campaigns or controversial issues which may be damaging to community relations, are illegal or offensive
- Any event that does not provide adequate documentation or certifications and cannot demonstrate that it should progress to the next stage of the application process
- Any events that cannot demonstrate to Merton Safety Advisory Group that it can be delivered in a safe and robust manner
- Any event that discriminates against race, religions, gender, sexual orientation or disability.
- Any event or activity that is prohibited by council and parks bylaws
- Events on the highway that would have a disproportionate impact on the free flow of traffic

There are restrictions on the use of animals in events that need to be discussed with a Council events officer before approval can be given.

The council reserves the right to refuse any application and impose additional conditions regarding a booking.

Any decision to refuse an event will be made at Director/Executive level

10. Fees and Charges

There are various fees and charges payable by event organisers depending on the location and type of event being organised. These can include:

- Events application fee. (This is a non-refundable fee payable at the time of application submission)
- Parks/open space hire fee (dependent on the size and type of event)
- Damage/reinstatement deposit for parks events
- Road closure fees
- Parking suspension fees
- Licensing fees
- Waste clearance charges

All application fees are non-refundable and must be paid when the application is submitted. A booking fee for the park or highway must be fully paid 45 days before the event.

Full details of the Council's fees and charges can be found on the council website at ["insert link"](#)

Please note that other agencies such as Transport for London (TFL) may also levy charges for their network or bus diversion. Any events held on the Strategic Road Network and Transport for London Road Network will be forwarded to TFL for their consideration.

Council costs must be covered at all times. Some events may meet the following criteria in which case the fees will be waived.

- Where an event is in partnership with the council
- Where an event delivers on Council policy
- Where the event is a new event or being proposed by a starter company in early days

Fees will generally only be waived on a one-off basis and each event will be considered on a case-by-case basis. The decision to waive fees will remain at Director level. The decision to waive a fee will be communicated to the applicant in writing.

If an event organiser would like to be considered under these criteria an email should be sent to events@Merton.gov.uk

11. Exemptions

It is recognised that due to the spontaneous nature of public events there may be occasions where an event cannot be foreseen or planned but there is significant public interest. In these rare cases deviations to this policy may be allowed.

Exemptions to the application process and timelines stated above will only be considered for those events where it is shown that the Council could not have been

notified in advance and there is significant public interest.

Any decision will be made in line with the structure outlined in section 7 of this policy. If an event is notified to the Council at short notice, the event organisers must still provide the documents as outlined above to ensure that the safety of the public has been considered. These documents must be provided to the Council before the event starts. For short-notice events, all partnership agencies are responsible for working together to achieve a safe outcome.

If an event organiser believes their gathering is not a public event and exempt from timelines listed above and all fees or charges an email should be sent to events@Merton.gov.uk

12. General Conditions

The following conditions will apply to all events:

Safety

Responsibility for safety rests with the organiser but the council and its partners have a duty to ensure all relevant health & safety guidance is followed, including the preparation of full risk assessments and method statements. The priority of all involved in managing events must be human safety. Every event should have a designated safety officer.

Role of the Event Organiser and their obligations

- Provide complete and accurate event documentation within the required timeframes and respond promptly to any queries raised by the Council or members of Merton SAG.
- Ensure that any information given on behalf of the organisation they represent is accurate and that they have the legal authority to enter agreements on behalf of that organisation or have the delegated legal authority.
- Ensure appropriate insurance and liability cover is in place.
- Permissions, licences and safety documentation must be sought well in advance, in accordance with the timetables set out in the more detailed guidelines that will be found on the website.
- The event organiser should ensure the event is run according to the submitted plans.

Not complying can jeopardise the event and may also affect future events planned by the organiser. Non-compliance may also result in the event organiser being liable for prosecution.

Environment and amenity

With the exception of closed and ticketed commercial events, organisers should minimise restriction of access to public spaces except on safety grounds.

Temporary, reversible decoration (e.g., banners, lights, signage) may be justified in some circumstances. Additions to the street may require planning permission or advertisement consent and advice should be sought before putting anything in place.

Merton Council must agree to any works that affect the highway and associated equipment, including additions to lamp columns, in advance. It reserves the right to carry out any agreed work itself at the organiser's expense. All advertising must have consent from the council as this can undermine the character and image of the borough and may obscure essential information. Removal of all structures and materials relating to an event is to be achieved as quickly and as safely as possible.

Noise

Noise levels generated from an event need to be agreed in advance and kept at a reasonable level. Where the council have cause for concern about the noise from a planned event, they reserve the right to require the event organiser to appoint an independent acoustic consultant to be on site to provide continual monitoring of noise levels.

Noise should not cause an unreasonable impact on any business or residential premises near the event site. The organiser is expected to reduce sound levels on the day if conditions require it. If the event has a Premises Licence, then it must operate in accordance with any sound level limit or conditions attached to the Licence. A sound level limit may need to be set and/or continuous noise monitoring put in place, to ensure compliance with Licence conditions and ensure that the event does not cause a statutory nuisance.

Events must also comply with The Control of Noise at Work Regulations 2005 for staff and contractors on site.

Parking

Additional parking requirements resulting from events must be planned, such as servicing, dropping off visitors by coaches, and space for taxis.

Suspensions of residential and paid-for visitor bays can be arranged for public events (or privately organised events which are open to the wider community or public), at a cost. This cost must be incurred by the event organiser. Details of current costs are available on the website.

Special bay types (e.g., for disabled people, doctors, and ambulances) are only suspended in exceptional circumstances. If such bays are suspended, they must be relocated within a reasonable distance. A further charge will be applicable for this relocation.

For large-scale suspensions of bays used by residents, alternative parking for residents will be provided nearby, by the removal and temporary conversion of paid-for visitor parking bays. The conversion of these bays is chargeable.

Parking will not be suspended to create space for VIP arrivals or departures unless the circumstances are exceptional.

Further details and fees payable are available on the council's website

Traffic and highways management

Merton Council is required to consider all traffic and highway management implications of events to fulfil its duty to keep the borough moving. A minimum period is required to implement traffic management measures, such as Temporary Traffic Management Orders to close roads, advance warning signs of events, diversion routes, and traffic controls. Costs for any traffic management order must be incurred by the event organiser. Details of current costs are available on the Council's website.

There are restrictions on the number of times roads can be closed in a calendar year

so this will be considered as part of the application process and may mean that permission for the event is refused or that an alternative location is suggested.

Structures in the highways such as cranes and scaffolding require a highways licence which must be sought from the council in advance. Merton Council must give permission for any change to the highway, such as removing street furniture to alter the character of a street and would typically insist such works are carried out by its own contractor at the organiser's expense.

Residents, visitors, and those engaged in business must be able to move freely through the borough, and public services should be able to operate without unreasonable disruption. Occupiers must be able to access their premises with minimum disruption. Access for emergency vehicles must be maintained with minimal impact on response times.

Licensable activities

The event organiser is responsible for ensuring that all required licences are obtained in sufficient time and all conditions specified in these licences are adhered to. The costs for any licence shall be incurred by the event organiser. Details of current costs are available on the Council's website.

Such licences could include, but are not limited to:

- Performing Rights Society (PRS)
- Phonographic performance Limited (PPL)
- Street Trading Licence
- Special Treatment Licence
- Premises Licence
- Temporary Event Notice (TEN)

Events that include 'licensable activities' such as the sale of alcohol and regulated entertainment (such as live music) need to be covered by a Premises Licence. Small events can be covered by a Temporary Event Notice (TEN). The council can request conditions to be attached to any licence, and these could address any of the four licensing objectives; prevention of crime and disorder, public safety, prevention of public nuisance and protection of children from harm.

Merton Council can grant licenses for 'regulated' entertainment' for certain areas of publicly accessible streets and open spaces, which means that these areas are treated as premises, or 'venues' for licensing purposes. Events in these areas will be expected to be run under the conditions of the Premises Licence for these areas and an additional TEN will not be issued.

Food and Safety

All food businesses at an event must provide evidence of food registration with the relevant local authority. It is the event organiser responsibility to ensure that all food traders have been subject to an inspection by a relevant local authority and should ensure that a food hygiene rating of 3 or above has been obtained. Merton Council officers may check this prior to or during the event.

Anyone starting a new food business must register with the council at least 28 days before doing so. Businesses in Merton should have registered for free; a copy of the

registration form is on the Council's webpage.

Based on the activities carried out, certain food businesses must be approved rather than registered. Please check the Council's webpage to find out more.

Waste and recycling

The event organiser must provide a waste management plan which is approved by the council.

The waste management plan should show how the organiser will work with the council to reduce the amount of additional council contractor cleansing that is needed during and after the event.

The waste management plan should show how the organiser will manage, recover and recycle or dispose of waste and street litter safely, and meet all environmental regulations and statutory requirements. Waste should be minimised and recycled as much as possible.

The council has a strict 'No Drinking Glass' policy at events.

Public conveniences and welfare facilities

The event organiser is responsible for the welfare of the public, which includes provision of temporary toilets. An adequate number of toilets must be available for an event including facilities for disabled people and any temporary toilets must not obstruct the highway. All facilities must meet health and safety requirements.

Sharing information

Communications and publicity about events must be coordinated with the council and its partners.

All events are expected to fully disclose any information relating to or impacting upon any aspect of the event, so the council and its partners have no surprises that have not been assessed for risk and danger to the public.

Planning permissions and advertisement consent

All temporary uses within a building, and temporary moveable structures placed within the curtilage of a building, will normally require planning permission. Temporary events on land not within a building's curtilage and associated moveable structures are allowed up to 28 days in any calendar year without planning permission. This reduces to 14 days where events involve street trading and some other activities such as motor racing. Advertisements (including sponsorship branding) visible from the highway normally require consent and advice should be sought from the events team before anything is put in place. This includes the display of sponsors' details on banners and directional signage. Any attachment or alteration to a listed building or listed structure will normally require listed building consent.

Parks and open spaces

There are several parks and open spaces that can be hired for events throughout the borough.

Examples of events that may be held in Merton parks include circuses, charity functions, festivals, fetes and fairgrounds. Please discuss any ideas or plans with the events team before applying, as they will provide advice on the most suitable venues and availability.

13. Cancellations

The council reserves the right, at its sole discretion, to cancel any event booked on council land due to poor weather, unsuitable ground conditions, non-receipt of the required paperwork or exceptional unforeseen circumstances. The event may be also be cancelled due to a risk to public safety and a recommendation from SAG.

All cancellation decisions are made at Director/Executive level.

In these circumstances, the council is not responsible for any costs that the organiser may already have incurred in preparing for the event.

In all cases, if an event is cancelled, the Application Fee is non-refundable.

If the events' organiser cancels the booking less than 4 weeks before the date of hire, there will be no refund on the hire charge.

Where an event is cancelled due to circumstances beyond the event organiser's control, for example adverse weather conditions and natural disasters including force majeure and where the council is provided with reasonable notice, the council may offer a refund of the hire fees, additional service costs and any deposit at its sole discretion but this will only be paid if the costs the council has incurred are covered. The non-operating days would be taken into consideration in these circumstances. The council will be recovering the full costs incurred including any things they have to put in place to assist with cancelling the event.

14. Legislation

All events must conform to relevant legislation, including but not limited to:

- Health & Safety at Work Act 1974
- Health & Safety (First Aid) Regulations 1981
- Data Protection Act 1998
- Equality Act 2010
- The Management of Health & Safety at Work Regulations 1999
- RIDDOR 1995
- Food Hygiene (England) Regulations 2006
- Town and Country Planning Act 1947 and 1990
- Licensing Act 2003
- The Children's Act 1989
- Fire Regulatory Reform (Fire Safety) Order 2005
- Firework Regulations 2004
- Safety at Sports Ground Act 1975
- Private Security Industry Act 2001
- Environmental Protection Act 1990
- Noise Act 1996
- Merton Council Byelaws
- Traffic Management Act 2004, Traffic Signs Regulations and General Directions 2016, Chapter 8 Traffic Signs Manual 2009

15. Equalities and Diversities

Merton aspires to be a place noted for its safety, openness and community spirit where everyone who lives and works here has a strong sense of belonging. As a council and in partnership with others we aim to address the needs and aspirations of local people to create a place of opportunity for all. The application of this policy will have due regard to Section 149 of the Equalities Act 2010, which places a general duty on public authorities, who must, in the exercise of their functions, have due regard to the need to:

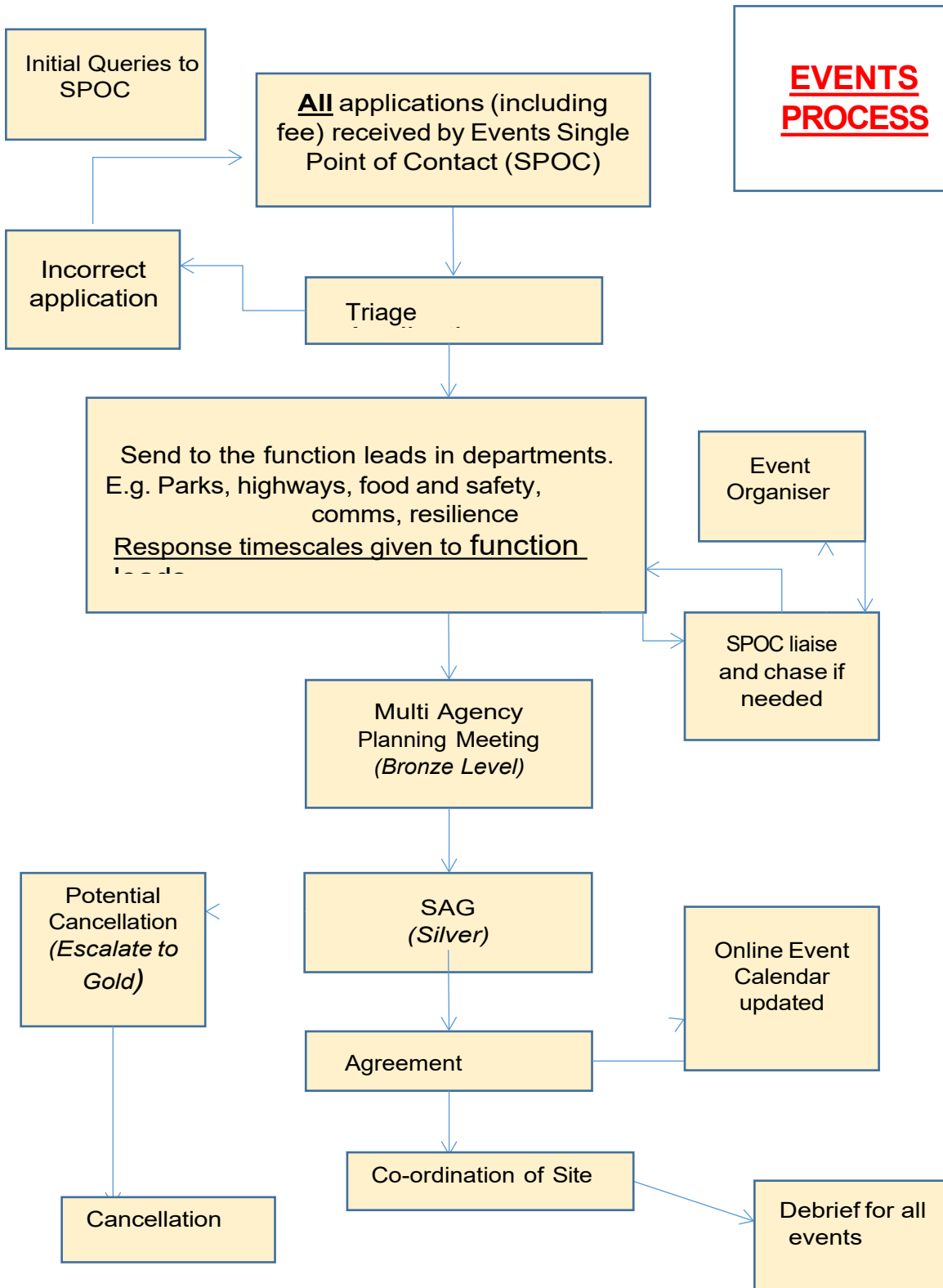
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not;
- Foster good relations between people who share a protected characteristic and those who do not.

16. Review

Events are unique, therefore the challenges posed by each event are different. As events evolve and develop it will be necessary for the Events Policy to evolve and develop accordingly. All the partner agencies recognise the importance of outdoor events to Merton and work together to provide a programme of safe and well-managed events for the benefit of residents and visitors.

Appendix 1

Process map



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Terms of Reference

Version	Updated by
1.0 - Purple Guide TORs	FM

- To promote clarity of roles and responsibilities relevant to the event(s) within the SAGs remit;
- To advise the local authority and/or event organiser in order to ensure high standards of health and safety;
- To promote the principles of sensible risk management in safety and welfare planning;
- To promote a consistent and co-ordinated, multi-agency, approach to event planning and management;
- To advise the local authority and/or event organiser with regard to forming appropriate contingency and emergency arrangements;
- To advise the local authority and/or event organiser in respect of relevant legislation and guidance;
- To encourage arrangements to be made to minimise disruption to local communities;
- To consider the implications of significant incidents and events relevant to their venue(s) and events;
- To consider the implications of significant incidents and events relevant to the surrounding areas and facilities;
- To receive reports relevant to debriefs, visits and/or inspections of the venue or event.
- To consider an event in the context of other events that may be happening at the same time and any potential cumulative or combined impact

In some cases, it will be relevant to consider specific terms of reference in addition to these generic examples. These may include:

- To advise the local authority with regards to its functions in relation to safety certification;
- To advise the local authority with regards to its powers under the licensing legislation.

When considering the **SAG** Terms of Reference:

- Be clear who is the lead for publishing guidance for local event organisers and for amending any application templates. Is it the **SAG** or a separate team within the Council?

Local authority audit – Single ground

Local Authority: LB Merton

Meeting with: Chris Nash/Trevor McIntosh

SGSA Inspector: Ann Ramage



Local authority audit record

Ground	Plough Lane	Club associated with ground	AFC Wimbledon
Date audit carried out	21 July 2022	Date audit due	15 July 2022
Reason audit late (if applicable)	This is a few days late due to summer leave scheduling		
Date report sent to LA	10 August 2022		
Type of Safety Certificate	Risk-based	Date Safety Certificate Issued	6 May 2021

Local authority audit summary

This is the first full season with fan attendance that the LB Merton have overseen the Safety Certification of Plough Lane Stadium in SW17. The relationships with the Club, stakeholders including the SGSA over the past 12 months has been excellent.

The SAG Chair Nick Steevens (NS) embraced the role and supported the lead officer. The SAG meetings and DPI monitoring visits were carried out to a good standard. There was meant to be some dedicated secretariat for the administration of the SAG meetings but this did not happen. CN informed me that this will now happen going forward and this will assist with minor housekeeping shortfalls that were found during the audit. The officer carrying out this work is a senior building control officer and is used to enforcement work so confidence in capacity and capability to enforce should it be required is high.

Key documents such as the safety certificate and capacity calculations have recently been reviewed and updated. Policies and procedures are in place. There is a comprehensive folder on Sharepoint that is dedicated to Sports Grounds and is well organised.

The monitoring arrangements in place were good but NS left the Council at Christmas and the lead officer has had to take on the SAG Chair role while recruitment took place. SAGs have been regularly held both remotely and in-person and minutes produced with clear recommendations or decisions made by the LA. The Annual Inspection has been carried out with no significant issues raised and several DPIs took place during the 2021/22 Season which were all sent to the SGSA.

The LA is responsive to Club requests in a timely manner. The overall safety culture in respect of regulatory duties is very good and I am confident that at the next audit the identified actions if completed will move the authority into the lower risk category.



Audit Score		
Section	Agreed Score	With multiplier
1 Compliance with actions from previous audit (Multiplier- 1)	5	5
2 Safe Capacity (Multiplier- 4)	5	20
3 SAG Governance and Performance (Multiplier- 3)	4	12
4 Safety Certification (Multiplier- 3)	4	12
5 Monitoring (Multiplier- 3)	4	12
6 Enforcement (Multiplier- 1)	4	4
7 Training and Expertise (Multiplier- 2)	5	10
8 Business Continuity and Resilience Arrangements (Multiplier- 1)	3	3
9 Confidence in LA discharge of duties & Safety Culture (Multiplier-2)	4	8
TOTAL	38	86
Risk Rating (High Risk 0-65, Medium Risk 66-89, Low Risk 90+)	Medium Risk	

Recommended actions from audit		Responsible person	Review date	Completed date
1	Generally review of internal documents to ensure that they have an amendment date.	CN	01/10/22	
2	Populate the Agenda folder on the Sharepoint area with the agenda sent out for SAG meetings.	TM	01/10/22	
3	Incorporate the role of the SAG into the Safety Certification Policy and Procedures.	CN	01/12/22	
4	Improved resilience for enforcement is necessary with personnel changes.	CN	01/12/22	
5	Work with the Club to carry out some emergency exercising.	TM	01/12/22	
6	Develop a list of authorised staff and any training under Sports Grounds legislation.	CN	01/12/22	



Section 1: Compliance with recommendations from the previous audit

All recommended actions		Yes/No	Date comp
Completed P and S factor documents using the indicative questions.		Yes	19/01/22
Add 'all people' numbers, stand by stand, to the Safety Certificate when it is next issued.		Yes	06/05/21
Develop a Policy and associated procedures for Safety Certification and include a procedure for issuing and reviewing a safety certificate.		Yes	22/10/21
A dispute resolution paragraph to be added to the SAG Terms of Reference.		Yes	22/10/22
Develop a separate action log that rag rates actions coming out of the SAG meetings and records that that they are completed (or not). This will be sent with the agenda/minutes going forward.		Yes	27/01/22
All relevant follow-up action that is monitoring the safety certification process to be saved in the Monitoring folder on the SharePoint area.		Yes	20/07/22
Risk assessment for any monitoring (DPI/focused visits) to be added to the Safety Certification Policy and incorporated into the DPI/Focused Visit template.		Yes	22/10/21
Develop a standard template for Prohibitions under Safety at Sports Grounds legislation.		Yes	22/10/21
Ensure all relevant staff are authorised under Sports Grounds and a record kept on SharePoint.		Yes	15/10/21
Inspector's score			5
Evidence to support score			
All of the recommended actions many of which were housekeeping/records have been completed.			
All email correspondence around monitoring is stored on a Sharepoint folder and I was shown some of the recent email correspondence. The Sharepoint area is very well organised.			
Appendix 1 on risk assessment has been added to the safety certification policy to assist with selecting DPI visits.			
Guidance notes for evidence			
0	No progress has been made with any previous recommended actions.		
1	No action has been made with any previous recommended actions. Good reasons have been provided as to why actions have not been progressed and a plan has been identified as to how actions will be completed.		



2	Made progress on some recommended actions but some priority actions have not been started.
3	Made good progress on priority recommendations, but not fully completed them.
4	Made good progress on all of the recommended actions, but not fully completed them. Good reasons have been provided as to why not all recommendations have been fully completed.
5	Completed all recommended actions.

Section 2: Safe capacity

Document	Yes/No	Date on doc
Capacity calculations using Green Guide methodology	Yes	01/02/22
(P) and (S) Factor assessment using indicative questions	Yes	19/01/22
Inspector's score		5
Evidence to support score		
<p>All of these documents were reviewed earlier this year with SGSA input and they were also on the SAG agenda. There is a clear audit trail with previous versions kept.</p> <p>There is a 265 seat reduction for all home EFL and domestic cup fixtures due to persistent standing in the Away area. This also went to the SAG on 28 January 2022.</p>		

Guidance notes for evidence	
1	No evidence or knowledge as to how the current capacity was calculated. Local authority not conversant with how to calculate capacities or the use of (P) and (S) Factors. (P) and (S) Factors not applied to capacity calculations.
2	Some knowledge of capacities calculations using the entry, holding and exit figures. Evidence of capacity calculations produced but does not follow Green Guide methodology. No recognition of the relevance of (P) and (S) Factors or reduction of capacity applied even though defects have been identified.
3	Good understanding of the relevant parts of the capacity calculations but calculations are not accurately applied to conditions at the ground. Evidence that the relevant indicative questions have been used in identifying the (P) and (S) Factors, but there is no record how the factors have been applied. No evidence of review process.
4	Clear evidence and experience of calculating capacities in accordance with Green Guide methodology. Clear evidence that the (P) and (S) Factors have been used in calculating the capacity and are in line with indicative questions and Green Guide methodology has been recorded.



5	Clear and concise capacity calculations including all people have been recorded and are regularly reviewed by experienced local authority staff. Evidence that the (P) and (S) Factors have been validated and reviewed by a competent member of staff. Documented evidence of any contraventions which may affect the (P) and/or (S) Factors together with details of the action taken. Detailed procedures in place which process map the actions to be taken by the local authority and that these procedures are regularly reviewed by senior management. A clear audit trail for the whole process.
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Section 3: Safety Advisory Group (SAG) governance and performance

Document	Yes/No	Date of Doc
SAG terms of Reference including wider definition and dispute resolution process	Yes	22/10/21
SAG agenda	Yes	27/06/22
SAG minutes	Yes	27/06/22
SAG action log	Yes	27/06/22
Inspector's score		4
Evidence to support score		
<p>The SAG Chair Nick Stevens was very competent and ran the first part of the 2021/22 meetings efficiently. He left the Council at Christmas and the Lead Officer has picked up these meetings since in the interim with no issues.</p> <p>The meetings are regular and in addition further ad-hoc meetings take place as required with key partners to discuss specific issues e.g. the improvement of pitch side barriers.</p> <p>A dispute resolution paragraph has been added to the SAG Terms of Reference.</p> <p>Minutes and agenda are in place and are always circulated to partners in a timely manner. I have added an action to create an agenda folder to file the circulated agenda.</p> <p>The LA have an action log that is a part of the minutes and that is updated at each meeting for progress. Actions that are outstanding remain on the log. The log is sent out with the agenda.</p> <p>The LA administrative support to the SAG Chair was planned but has not materialised in a permanent way. There has now been a reorganisation and a manager Selma Ouaguena has been appointed and so there should be some support for the 2022/23 Season and going forward. There is also a new Commercial Manager coming in who has football SAG experience and will take up the SAG Chair role.</p>		



Guidance notes for evidence	
1	A SAG has not been formally established. SAG meetings are not held or are very infrequent appropriate to the risks. Lack of interest in process.
2	No terms of reference have been produced. Lack of audit trails. Meetings are held but many core members of the group are not regular attendees or send deputies who are not empowered to make decisions on their behalf. Low levels of interest.
3	Terms of reference established. Agendas for meetings. No real compliance with the identified roles and responsibilities. Lack of clarity in identifying issues in minutes or on action notes. Although meetings are held, with regular attendees, the ability of the group to influence the performance of the club is diminished by not identifying actions that need to be taken. Ineffective leadership of the group by the Chair.
4	SAG meetings are regularly held appropriate to the risks. Request agenda items before meetings. Timely minutes reflect the identification of required actions that need to be taken, records the findings but does not ensure that actions are followed through to completion. Effective leadership by the Chair and effective participation from members of the group. Written SAG terms of reference which are reviewed at least annually or if any changes in circumstances have been identified
5	Constituted SAG which is aware of its responsibilities, meet with appropriate regularity with attendance of all relevant organisations of enough seniority to take decisions. Written terms of reference and procedures in place including a documented dispute resolution process. All documents including terms of reference, agenda, policies and procedures reviewed in line with wider definition of safety. Appropriate secretarial support provided, timely and accurate agendas, papers and minutes produced. Arrangements in place for confidentiality of meetings and documents, where necessary. A clear audit trail is maintained of any recommendations or decisions made to the local authority and the outcome.

Section 4: Safety certification

Document	Yes/No	Date of Doc
Safety certification policies and procedures	Yes	22/10/21
Safety Certificate that includes consideration of all people and red line drawing	Yes	06/05/21
Operations manual (controlled copy or access to)	Yes	N/a
Any proof of Safety Certificate review e.g. SAG minutes, annual inspection etc	Yes	27/01/22
Record of deviations to Green Guide	Yes	01/11/21
Special Safety Certificate	N/a	
Inspector's score		4
Evidence to support score		



Safety certification procedures are in place but there is a gap around the role of the SAG which is not written down and this has been added as a follow-up action.

A red line drawing is contained in the Safety Certificate and the 'All people' is detailed in Safety Certificate.

The Club have provided a Sharepoint area with all of the documentation in their Operations Manual and the LA have access to this via a link. The LA also save the key documents on their Sharepoint areas and they showed me this e.g. Capacity Calculations and P and S factor documents.

SAG meetings have talked about safety certification as the stadium developed their procedures for dealing with the Away area and this is recorded in the minutes.

Guidance notes for evidence

1	Although a safety certificate is in force the conditions, or the procedures in any operations manual required under the Safety Certificate, are out of date in respect of current circumstances. For example policies on Pyrotechnics or Drones.
2	The certificate conditions, and operations manual where one is required under the Safety Certificate, has/have been reviewed on an ad hoc basis, but no amendments have been issued where changes have been identified. Changes have been made to event day procedures without reference to the local authority or SAG.
3	The certificate conditions, and operations manual where one is required under the Safety Certificate, are the subject of an annual review but any amendments are not immediately made, or changes recorded.
4	Annual review of certificate conditions, and operations manual where one is required under the Safety Certificate, with amendments issued immediately to ensure that the certificate is up to date. Clear terms and conditions reflect the circumstances at the ground. Written amendments are made immediately after any changes at the ground or to the club's safety management systems. Public notices are issued advising of any changes to the Safety Certificate.
5	The certificate wording updated in line with the wider understanding and additional conditions considered e.g. event safety policy, infectious disease clause (Covid-19), crowd disorder and anti-social behaviour, and counter terrorism plan. Certificate states time of its operation and a plan of certified condition area is attached. Updated list of deviations to the Green Guide. All SAG members involved in the ongoing dynamic review of the safety certificate. Where an operations manual is in place the local authority is kept aware of any proposed changes and maintain a controlled accurate copy. Clear audit trails are maintained including any contraventions together with details of the action taken. There are detailed policies and procedures in place which process map the actions to be taken by the local authority and that these policies and procedures are regularly reviewed by senior management. For example agreed policies on Pyrotechnics or Drones.



Section 5: Monitoring

Document	Yes/No	Date of Doc
Procedures for inspection and monitoring	Yes	22/10/21
Record of during performance inspections (DPIs) (provide all dates of DPIs completed during current season)	Yes	05/03/22
Record of annual inspection	Yes	23/05/22
Proof of feedback/actions as a result of inspections	Yes	various
Risk assessment for frequency and selecting of DPIs	Yes	22/10/21
Focus checks on monitoring visits such as steward training records, matchday records etc	Yes	various
Proof of monitoring persistent standing	Yes	05/03/22
Any reviews, tests and exercises the local authority has undertaken/observed to validate the emergency preparedness of the ground, including each ground's Contingency Plans (including Evacuation Plans) and integration with the Major Incident Plan (latter written by the emergency services)	No	n/a
Inspector's score		4
Evidence to support score		
<p>Monitoring procedures are in place and written down with good record keeping.</p> <p>All relevant follow-up action is filed and stored in the Monitoring folder in the SharePoint area.</p> <p>The Lead Officer is very experienced at prioritising and risk assessing what monitoring to carry out.</p> <p>DPIs and the Annual Survey both cover persistent standing.</p> <p>There have not been any recent emergency exercises and this has been raised with the Club and has been added as a follow-up action. A Medical table top could also be suggested as well as some smaller specific exercises during events.</p>		
Guidance notes for evidence		
1	The local authority does not undertake any form of monitoring of compliance with the safety certificate.	
2	No risk assessments undertaken to inform frequency of inspections. Inspections limited to single statutory visit. No prescribed forms for inspections and no record of results conveyed back to the club or retained on file.	



3	Risk assessed match DPI's are undertaken but no planned annual inspection, covering all aspects of sports ground safety. Forms are used to record results with some feedback conveyed to the club. Engagement in the club's emergency preparedness but reviews/exercises not carried out.
4	A programme of risk assessed DPI's are planned and an annual inspection undertaken, with issues being identified, fed back to the club and followed up to completion. A procedure in place which process maps the actions to be taken by the local authority and that this is regularly reviewed. Engagement in the club's emergency preparedness with reviews/exercises carried out.
5	DPIs are determined by risk assessment which takes into account; required frequency, safety management culture, and ground management's compliance with the safety certificate. An annual inspection carried out by competent persons. Comprehensive reports using updated documents including wider understanding considerations. Outcome of inspections communicated to the club and other members of the SAG, followed up to completion. Records maintained of any contraventions together with details action taken. Regularly reviewed procedure in place which process maps the actions to be taken by the local authority. The DPI includes persistent standing information. Engagement in the club's emergency preparedness with reviews/exercises carried out and proactive involvement in the wider major incident plan written by the emergency services.

Section 6: Enforcement

Document	Yes/No	Date of Doc
Enforcement policy covering the suite of available options	Yes	01/07/21
Enforcement procedures for staff to follow	Yes	01/07/21
Prepared notices	Yes	Various
List of authorised officers/deputies	Yes	
Delegated authority for serving notices	Yes	
Procedure for reporting to relevant local authority committee if required	Yes	
Inspector's score		4
Evidence to support score		
The Department is part of Environmental Health who regulate and carry out enforcement on a day to day basis. An Enforcement Policy is in place for the regulatory work and standard notices are available for prohibitions under Health and Safety. There is also a standard template for Prohibitions under Safety at Sports Grounds.		



The Scheme of Delegation is fit for purpose. The Director for Environment and Regeneration is the lead for this work and a newly appointed Director is Adrian Ash who started in July 2022. Adrian is the delegated Executive Director and his portfolio covers Building Control and Regulatory Services who carry out this work. Any major issues would go to Adrian who reports to the CEO and relevant committees.

The Lead Officer authorisation is in place and there is some resilience which should improve as some new staff have been appointed and start in the autumn of 2022.

No formal enforcement action has been taken during the past year under Sports Grounds legislation. There are no concerns about enforcement being carried out should it be required as the legal infrastructure of the department is there to support this.

Guidance notes for evidence	
1	No enforcement policy and enforcement processes developed. No local authority staff guidance issued, or training given. No willingness to enforce relevant sports ground safety standards.
2	Local authority staff lack experience in their role. Unsure of policies to follow through poor communication. Poor documentation. Lack of process to issue prohibitions.
3	Policy and process on enforcement is widely understood. Local authority staff not fully trained or supported in their roles. Documentation is not in accordance with regulators code.
4	Safety at sports grounds policy and process communicated to local authority staff. Local authority staff are experienced and confident to carry out enforcement. Documentation, including audit trails in place but has scope for improvement. Enforcement options include informal warning, prohibition notices, reductions in capacities, formal caution, prosecution.
5	Local authority has an enforcement policy with enforcement procedures in place which process map the actions to be taken by the local authority. These procedures are regularly reviewed by senior management and there is access to legal advice. Enforcement options include informal warning, prohibition notices, reductions in capacities, formal caution, prosecution. All enforcement documentation has been updated in line with the wider understanding advice produced by the SGSA and has been reported/endorsed by the relevant council committee if so required. Staff have the necessary experience and training to implement the policy. Documented evidence of any contraventions are recorded with a clear audit trail.

Section 7: Training and expertise

Document	Yes/No	Date of Doc
Training policy/procedure	Yes	n/a
Staff training records including any qualifications and CPD	Yes	n/a
Management structure in place to support safety at sports ground function	Yes	n/a



Job/role descriptions including safety at sports ground function	Yes	n/a
Staff have ability to easily access expertise from other departments/external bodies/organisations when required	Yes	n/a
Inspector's score		5
Evidence to support score		
<p>The Regulatory Services training requirements are part of officers annual appraisal and relevant CPD to secure competency is discussed regularly to ensure any gaps in knowledge or experience identified are planned for. SGSA training on SG02 and Local Authority Audit were attended by several staff.</p> <p>Any relevant training carried out under Sports Grounds or related legislation is held on the Sharepoint area and individual CPD/training is retained by Learning and Development. Two Building Control Officers are able to do Sports Grounds visits and in an emergency there are further officers authorised. Chris Nash will ensure authorisation is in place for any new staff who join the Council. A review to ensure all relevant staff are authorised and have suitable training under Sports Grounds and a record kept on SharePoint has been added as an action. This follows the re-organisation of the department and ensures a competent team.</p> <p>Expertise from key partners has been very good at the SAG. The Environmental Health network is helpful, with other Local Authorities agreeing to mutual aid. The Lead Officer attends the LDSA regional meeting.</p>		

Guidance notes for evidence	
1	Local authority staff lack experience/formal training/knowledge.
2	Local authority staff have received training, but lack of relevant experience does not give them confidence to act with authority. Therefore, they are unable to make effective judgements.
3	Identified that local authority staff are inexperienced with only limited training. Resources are allocated, including time, to ensure that more guidance and support given to local authority staff. Some records are maintained of individuals' development, training and experience.
4	Local authority staff who have several years' experience in the role and have received appropriate training. They receive a good support to undertake roles. Regularly monitored by way of performance and quality of reports. Satisfactory records are maintained of individuals' development, training, and experience. Commitment from local authority to support person to do role and provide continued professional development.
5	Staff have the correct competence, experience and the necessary practical and theoretical knowledge to undertake their roles and responsibilities. Procedures are in place to ensure that staff operate within the limits of their competence. Staff can access appropriately qualified specialists when dealing with highly technical issues. Good records are maintained of individuals' development, training, and experience. Commitment from local authority to support person to do role and provide continued professional development.



Section 8: Business continuity and resilience arrangements

Document	Yes/No	Date of Doc
Service or Departmental Business Continuity Plan	Yes	12 March 2021
Specific contingency/resilience arrangements for the safety at sports ground function should the lead officer be unavailable	Yes	n/a
Exercise testing of LA business continuity or resilience arrangements	Yes	
Regional working protocols	Yes	various
Inspector's score		3
Evidence to support score		
<p>The Business Continuity Plans for the Department follow a Corporate template that was last reviewed in March 2021. This incorporates regulatory inspection.</p> <p>The resilience in terms of qualified and competent officers to enforce this legislation is low. The SAG Chair – also a competent officer - left the Council in December 2021 and the Lead Officer is performing the SAG Chair role in the interim. The LA have gone through a restructure and have appointed staff at several levels and this will improve resilience from the Autumn when the appointed staff start to arrive in post. The existing Lead Officer has held the fort well and there have been no issues of concern other than the lack of support to him. It will be important to see this resilience improve going forward.</p> <p>LB Merton is a part of the Pan London emergency exercise programme and with the pandemic and excessive deaths this was tested in the real. Merton are also a part of regional networks and their relations with Wandsworth and Richmond are good for specific questions on Sports Grounds as Richmond has Twickenham.</p>		

Guidance notes for evidence	
1	No business continuity or resilience arrangements in place for safety certification process.
2	No formal planning in place although local authority staff have some resilience.
3	A plan is in place, but it has never been tested. Local authority staff not given the opportunity to act at a higher level to test the resilience of the system or their own abilities. There is no process for learning lessons from any incidents and developing contingency plans.
4	Plans are in place and have been tested. Local authority staff are trained and experienced to ensure service delivery continues but formal processes are not in place. Local authority staff flexibility leads to a higher degree of resilience. Continual improvement and review is limited.



5	Business continuity plans are documented and regularly reviewed and tested to ensure resilience. Plans are regularly reviewed by senior management with an emphasis on continual improvement. Staff resilience planning is in place to ensure continuity of the function. Staff are aware of what will be required of them to ensure continuity and staff have the necessary training and experience to undertake the roles they could be expected to perform. Staff respond well to the additional requirements needed at sports grounds following an epidemic e.g. COVID 19.
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Section 9: Confidence in local authority discharge of duties and safety culture

Inspector's Score	4
Evidence to support score	
<p>The experience of the Lead Officer is extensive in Sports Grounds, he has been overseeing the Wimbledon Tennis Championships for almost 50 years and he is a senior Building Control Officer. The SAG Chair who covered up till Christmas 2021 was a senior Regulatory Services Manager and was competent and knowledgeable in running the SAG meetings and finding solutions to issues that were raised. Unfortunately, he moved on from the Council and this has left a continuity gap so the Lead Officer has stepped in. This does show some resilience as business as usual has continued but this would not be a solution beyond the short term.</p> <p>The LA enforcement and safety culture is very robust and confidence in carrying out the statutory duties and any required enforcement is high in that this is a regulatory service and they are used to enforcement which they carry out on a daily basis. The staff are experienced and knowledgeable and prioritise issues well, there is just a lack of staff who have the specialist knowledge under Sports Grounds.</p> <p>The resilience has not improved as the deputising officers to assist with DPIs have been distracted with pandemic enforcement. A recommended action has been added and will improve this significantly if implemented. The LA respond to SGSA and Club requests very timely.</p> <p>The SAG Chair put improvements in place in the first part of the 2021/22 Season which have embedded well. The actions identified in this audit are generally a few bits of housekeeping/records and resilience. The LA has only been involved with AFCW for one full season and has made excellent progress in developing the SAG and collaboration to ensure the Club is compliant in all areas.</p>	

Guidance notes for evidence	
1	No resources allocated to discharge local authority functions. No backing from senior management. No response to SGSA or club. The overall safety culture of the local authority in respect of regulatory duties is very poor.
2	The sports ground safety team is inadequately resourced with insufficient staff appropriate to the size of the club and the tasks faced. No backing of senior management. The local authority is limited in responding to SGSA engagement and requests for information/action



	when pushed. Local authority slow in response to club requests. The overall safety culture of the local authority in respect of regulatory duties is limited.
	The sports ground safety team has limited resources who are pushed to their limit. There is minimum backing of senior management. The local authority is responsive to SGSA engagement and requests for information/action. Local authority responds to club requests. The overall safety culture of the local authority in respect of regulatory duties is satisfactory.
4	The sports ground safety team is satisfactorily resourced with enough staff appropriate to the size of the club and the tasks faced. There is acceptable backing of senior management. The local authority is responsive to SGSA engagement and requests for information/action. The local authority responds to club requests in a timely manner. The overall safety culture of the local authority in respect of regulatory duties is good.
5	The sports ground safety team is well resourced with the number of staff appropriate to the size of the club and the tasks faced. There is good backing of senior management. The local authority is quick to respond to SGSA engagement and requests for information/action. The local authority responds to club requests quickly and pro-actively. The overall safety culture of the local authority in respect of regulatory duties is high performing.

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SGSA Action Plan

Recommended actions from audit		Responsible person	Review date	Comment	Completed date
1	General review of internal documents	Sara Quinn	March 2023	Half completed to be fully complete by end financial year	
2	Populate the Agenda folder on the Sharepoint area with the agenda sent out for SAG meetings.	Trevor McIntosh	December 2022		Dec2023
3	Incorporate the role of the SAG into the Safety Certification Policy and Procedures	Sara Quinn	March 2023		
4	Improved resilience for enforcement is necessary with personnel changes	Chris Nash/Sara Quinn	January 2023	Visits completed with Commercial Services Mgr and Food leads, further shadow training planned	Jan 2023
5	Work with the Club to carry out some emergency exercising	Sara Quinn	January 2023	Desktop completed in Jan 23 and further exercises in planning stages	Jan 2023
6	Develop a list of authorised staff and any training under Sports Grounds legislation.	Sara Quinn	March 2023		
6	Fully develop and embed a separate action log that RAG rates actions coming out of the SAG meetings and records that that they are completed (or not). This will be sent with the agenda/minutes going forward.	Sara Quinn	March 2023		
7	Introduce secretarial support for the SAG	Sara Quinn	January 2023		
8	Ensure all relevant staff are authorised under Sports Grounds and a record kept on SharePoint.	Chris Nash	March 2023		

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Committee: Cabinet

Date: 19th June 2023

Wards: All

Subject: Adoption of Merton (Phase 1) Tree Strategy for the Management of council-owned trees.

Lead officer: Dan Jones (Executive Director of Environment, Civic Pride & Climate Change)

Lead member: Councillor Natasha Irons (Cabinet Member for Local Environment, Green Spaces and Climate Change)

Contact officer: Andrew Kauffman, Head of Parks Services

Recommendations:

- A. That Cabinet review Appendix 1 London Borough of Merton Tree Strategy 2023-2029 (Part 1), Management of council-owned trees and agree to adopt the Tree Strategy.
 - B. That Cabinet note Appendix 2 Collated feedback for Tree Strategy Initial scoping consultation that took place between (17th January 2022 - 28th February 2022) (466 responses received) Appendix 3 Collated feedback from the Draft Tree Strategy Consultation that took place between 20th October 2022- 30th November 2022 (10 responses received).
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The Council declared a Climate Emergency on 10th July 2019, and the Council and a Climate Strategy and Action Plan ([see - Climate Strategy and Action Plan](#)) which outlined the Council's response to the declaration and the importance that our trees have in mitigating climate change and shaping a greener future.
- 1.2. Under the Greening Merton element of the Climate Strategy and Action Plan on one of the key "Activities that enable things to happen" the Council Greenspaces Team were actioned with developing and implementing a Tree Strategy for the borough 2022-23.
- 1.3. In addition, the Tree Service was reviewed by Internal Audit and identified weaknesses within the service included – *'there is currently no final Strategy, Policy and Business Plan for the management and maintenance of the Council tree stock'* (14th February 2020)
- 1.4. In order to meet the requirements of the recommended audit actions and to deliver on the ambitions to support our Climate Strategy and Action Plan, the Council Greenspaces Team commissioned the services of arboriculture consultants MHP Arboriculture and have conducted scoping, consultation and developed a Tree

Strategy for Merton Council for the management of council owned trees and an associated Action Plan for the duration of the tree strategy.

1.5. The London borough of Merton Tree Strategy 2023-2029 (Part 1) Management of council owned trees, shown in Appendix 1 of this document, is now ready for review and adoption.

2 DETAILS (VISION)

2.1. For the benefit of our local environment and that of future generations of borough residents, we shall strive to achieve an optimised, sustainable Council-owned tree population that enhances our communities and protects the environment that we live and work in.

2.2. This will be a positive contribution towards the London Environment Strategy's existing target of a 10% increase in canopy cover for the city overall. In order to meet this challenge, we are going to:

- Look after our existing trees and hedges well and in a structured and consistent way. This will mean that their benefits are maximised whilst tree-related problems and inconveniences are kept to a minimum.
- Protect all our trees and hedges to ensure their resilience in the face of many challenges and threats.
- Plant, establish and cultivate to maturity as many trees and hedges as we can on our land; promoting the need for trees of large mature size to enhance our green infrastructure, contributing to our local ecology and enhancing the biodiversity of our green spaces.

2.3. Doing this will result in a multitude of quality-of-life improvements for present and future generations. It will also enable us to comply with our legal responsibilities and ensure that as a Council we are not at unreasonable risk of litigation.

2.4. Our trees contribute greatly to the character of Merton and its natural environment. They provide a wealth of benefits which are fundamental to our capacity to adapt to the climate change emergency by counteracting increasingly high summer temperatures, sequestering carbon from the atmosphere and intercepting rainfall to lower the likelihood of flash flooding.

2.5. Beyond this we recognise the principle of 'Biophilia.' This is the innate and intrinsic human need to have proximity to and contact with the natural environment. The hugely positive impact that trees and their many wildlife associations provide to our wellbeing is very widely documented and accepted.

2.6. Trees are vitally important. We need as many healthy, well-managed trees as we can to make Merton a better place to live.

2.7. The final and adopted strategy will also include a dedication page to Dave Lofthouse (Dip. Arb. (RFS), M.Arbor.A.) who worked with the Council for 33 years. He was the 'voice of our trees' for all of these years, a committed arboriculturist and his legacy is felt all around us through the trees he has planted.

3 NEXT STEPS

- 3.1. Following the formal adoption of the tree strategy for Council trees, the Greenspaces Team will be liaising with colleagues in FutureMerton to begin the scoping the Tree Strategy: Part II, as outlined in 2.2 of the of Merton Tree Strategy 2023-2029 (Part 1).
- 3.2. The next element of the tree strategy (Part II) will focus on the wider *Treescape*, which includes trees on private owned land, planning matters and how support and guidance can be provided to benefit our overall tree population.

4 ALTERNATIVE OPTIONS

- 4.1. No alternative options are being considered at this stage.

5 CONSULTATION UNDERTAKEN OR PROPOSED

- 5.1. Two Phases of Consultation were undertaken during the development of the boroughs Tree Strategy.
- 5.2. Initial Scoping Tree Strategy Consultation was carried out between the 17th January 2022 and the 28th February 2022 -see ([Tree Strategy consultation link](#)). The consultation was widely participated in, having received a total of 466 responses, including 8 local organisations. Please see Appendix 2 for a full summary of the response provided.
- 5.3. The Tree Strategy Stakeholder Consultation, which contributed to the drafting of the strategy itself, was carried out between 20th October 2022 and the 30th November 2022. During this period, we received ten group and individual responses to the draft strategy, helping us shape and develop a strategy that can meet the needs of our local tress.

6 TIMETABLE

- 6.1. The table below details the timeline for the delivery of the London Borough of Merton Tree Strategy 2023-2029 (Part 1) Management of council owned trees.

Project Element	Timeline
Council declares Climate Emergency	10 th July 2019
Cabinet Approval of Climate Action Plan	18 th November 2020
Initial scoping phase of councils Tree Strategy	17 th January 2022 - 28 th February 2022
Draft Tree Strategy stakeholder consultation	20 th October 2022- 30 th November 2022

Final Tree Strategy Review and Design	1 st December 2022 - 27 th February 2023.
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7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

7.1. The adoption of the London Borough of Merton Tree Strategy 2023-2029 and its associated Action Plan will have financial, resource and property implications, but those relating to core service delivery are currently covered within existing revenue and capital Budgets for tree management, maintenance and tree planting.

8 LEGAL AND STATUTORY IMPLICATIONS

8.1. The adoption of the London Borough of Merton Tree Strategy 2023-2029 and its associated Action Plan will have no further legal or statutory implications at this stage.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

9.1. The adoption of the London Borough of Merton Tree Strategy 2023-2029 will provide positive outcomes to the wide array of communities across the borough. Tree populations and protected greenspaces brings a wealth of benefits, including greater community cohesionⁱ.

10 CRIME AND DISORDER IMPLICATIONS

10.1. None for the purposes of this report.

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1. The adoption of the London Borough of Merton Tree Strategy 2023-2029 and its associated Action Plan will directly benefit the security of our Highway network and other Council land, including parks, open spaces and schools.

11.2. Specifically, the tree policies within the strategy - *Tree Management and Maintenance (TMM1-13)*, detail how the service will legally and professionally manage our tree stock for the benefit of all users.

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

Appendix 1: London Borough of Merton Tree Strategy 2023-2029 (Part 1)

Management of council owned trees

Appendix 2: Collated scoping feedback

13 BACKGROUND PAPERS

13.1. No further papers will be submitted.

ⁱ Netta Weinstein, Andrew Balmford, Cody R. DeHaan, Valerie Gladwell, Richard B. Bradbury, Tatsuya Amano, Seeing Community for the Trees: The Links among Contact with Natural Environments, Community Cohesion, and Crime, *BioScience*, Volume 65, Issue 12, 01 December 2015, Pages 1141–1153, <https://doi.org/10.1093/biosci/biv151>



LONDON BOROUGH OF MERTON

TREE STRATEGY 2023–2029

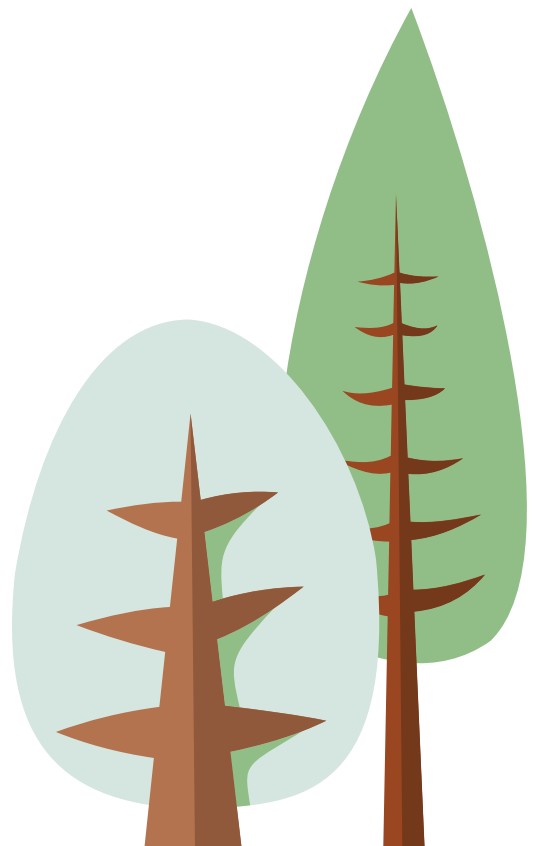
Part 1: Management of council-owned trees





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1. Foreword

Welcome to Part 1 of Merton Council's tree strategy



This document is formally adopted by the council and is a clear commitment to how we shall manage our trees.

This year's heatwave saw temperatures in Merton rise to 40°C and there were serious implications for the health of many people in the borough. With similar weather events predicted for the years ahead, we live in unprecedented times where the cooling effects of tree canopies are an essential part of life. Quite simply, looking after our trees properly has never been more important than now.

We hold responsibility for many thousands of trees. These are the familiar trees which line our streets, beautify our parks, and complement our school grounds. Their benefits extend far beyond simply 'looking nice'. They promote economic value and development, help to mitigate the effects of climate change and generally have a positive impact on our wellbeing.

However, some of our trees have the potential to cause damage or harm. This can range from relatively small inconveniences, through to very serious matters such as structural damage to buildings or physical harm to people if a tree breaks or falls in a busy place. That's why we have legal duties and responsibilities to manage our trees.

Part 1 of our tree strategy is a working document. It takes the benefits and challenges of trees into account. It sets out the mechanisms for us to take a consistent approach and it builds on the dedicated work already carried out by our team of arboricultural experts.

It is a clear statement of our commitment to the betterment of Merton's trees for the benefit of our community now and in the future.

**Councillor Natasha Irons, Cabinet Member for Local Environment,
Green Spaces and Climate Change**

2. Our vision and approach

2.1 Vision

For the benefit of our environment and that of future generations we shall strive to achieve an optimised, sustainable council-owned tree population. This will be a positive contribution towards the London Environment Strategy's existing target of a 10% increase in canopy cover for the city overall.

We are going to:

- ✿ Look after our existing trees and hedges well and in a structured and consistent way. This will mean that their benefits are maximised whilst tree-related problems and inconveniences are kept to a minimum.
- ✿ Protect all our trees and hedges to ensure their resilience in the face of many challenges and threats.
- ✿ Plant, establish and cultivate to maturity as many trees and hedges as we can on our land; promoting the need for trees of large mature size to enhance our green infrastructure.

Doing this will result in a multitude of quality-of-life improvements for present and future generations. It will also enable us to comply with our legal responsibilities and ensure that as a council we are not at unreasonable risk of litigation.

Our trees contribute greatly to the character of Merton and its natural environment. They provide a wealth of benefits which are fundamental to our capacity to adapt to the climate change emergency by counteracting increasingly high summer temperatures, sequestering carbon from the atmosphere and intercepting rainfall to lower the likelihood of flash flooding.

Beyond this we recognise the principle of '*Biophilia*'. This is the innate and intrinsic human need to have proximity to and contact with the natural environment. The hugely positive impact that trees and their many wildlife associations provide to our wellbeing is very widely documented and accepted.

Trees are vitally important. We need as many healthy, well-managed trees as we can to make Merton a better place to live.

2.2 Approach

Our tree strategy shall be in two parts:

- ✿ **Part 1** (this document) specifically deals with issues relating to council-owned trees. It sets out a mechanism for how we shall look after our existing trees and hedges as best we can so that we achieve our vision.
- ✿ **Part 2** shall deal with more wide-reaching issues relating to Merton's Treescape or 'Urban Forest' – in other words, all the trees in Merton, whether publicly or privately owned – and shall aim to optimise tree benefits throughout the borough.





3. Why do we need a tree strategy?

3.1 Different approaches – the benefits of a strategic approach

Trees have far-reaching environmental, historic and social and economic value. Their worth extends far beyond simply ‘looking nice’ and improving the ‘visual amenities’ of place. A more detailed list describing the wide range of benefits that trees provide is at **Appendix 1**.

Various systems are available to value trees and tree benefits in financial terms. Their ‘replacement’ value can be quantified as can the combined effects of their many associated benefits; so-called ‘eco-system services’. However, we also recognise that trees also deliver value indirectly and in less measurable ways. Most significantly, they give a connection to nature that transcends the confines of urban life and hugely improves people’s sense of well-being and their mental and physical health.

Despite these many benefits, there are circumstances where trees do have adverse effects on people and property. These so-called ‘tree problems’ vary in severity. On the one hand, trees can be associated with subjective inconveniences such as the ‘mess’ of seasonal leaf loss, aphid honeydew, bird droppings and so on. On the other, trees can be implicated in issues of major importance such as direct/indirect structural damage to buildings and infrastructure or – in rare cases – injury/death if defective trees or branches fail. Also, there are a range of wildlife habitats such as meadows, heathland and wetlands that can become degraded if trees are allowed to establish.

Bringing out the best out of an urban tree population in a consistent way is a complex, multi-faceted challenge. It requires the expert involvement of skilled arboricultural and urban forestry professionals working in collaboration with relevant stakeholders, in particular community organisations.

Traditionally, many urban tree populations have been managed reactively and comparatively informally by dealing with issues as they arise. This approach can result in inefficiencies, a lack of joined-up thinking and ‘fire-fighting’. A lack of consistent decision-making also means that trees and their benefits remain a relative unknown and that consequently their management is inadequately resourced.

In contrast, a tree strategy sets out a plan. It gives a mechanism for consistent tree management that:

- * Optimises the condition of the overall tree population.
- * Enables systematic understanding of the range of threats to trees.
- * Leads to more effective tree protection.
- * Maximises opportunities for viable tree planting.
- * Maximises trees’ contribution to climate change adaptation.
- * Reduces litigation costs.
- * Enables accurate forecasting of costs and setting of realistic budgetary requirements.
- * Reduces emergency callout costs.
- * Ensures benchmarked standards of service.
- * Improves communication mechanisms and relationships with stakeholders and community groups.
- * Increases ‘sense of ownership’ of trees by the community.

3.2 Policy Context

Our requirement for a tree strategy is underpinned by policy at National, Regional and Local level. A basic summary is at **Appendix 2**.

4. What do we have?

4.1 Tree canopy cover in Merton

We know from a recent study that Merton's total tree canopy (including trees on private land) covers an area of 1,040 hectares¹. This is equivalent to approximately 28% of the borough. The major concentrations of canopy cover are in Wimbledon and Mitcham Commons and Morden Park.

From the study we also know that of the total tree canopy:

- * 26% consists of woodlands contained within parks and public open spaces (266.12ha).
- * 1.5% consists of individual woodlands (15.2ha).
- * 11.2% consists of street trees (116.7ha).
- * 61.3% is in private gardens, cemeteries and institutional grounds.

Figure 1 shows that there is substantial variation in concentration areas of tree canopy cover throughout the borough. Further analysis of tree canopy cover on a ward-by-ward basis³ (pre-electoral commission changes to Merton ward boundaries 2020) at **Figures 2 and 3** illustrates this imbalance further:



Figure 1 – Tree canopy cover in Merton (Source: London City Hall)²

1 Merton Green and Blue Infrastructure – August 2020

2 Tree canopy cover map | London City Hall

3 GB Ward Canopy Cover WebMap (arcgis.com)



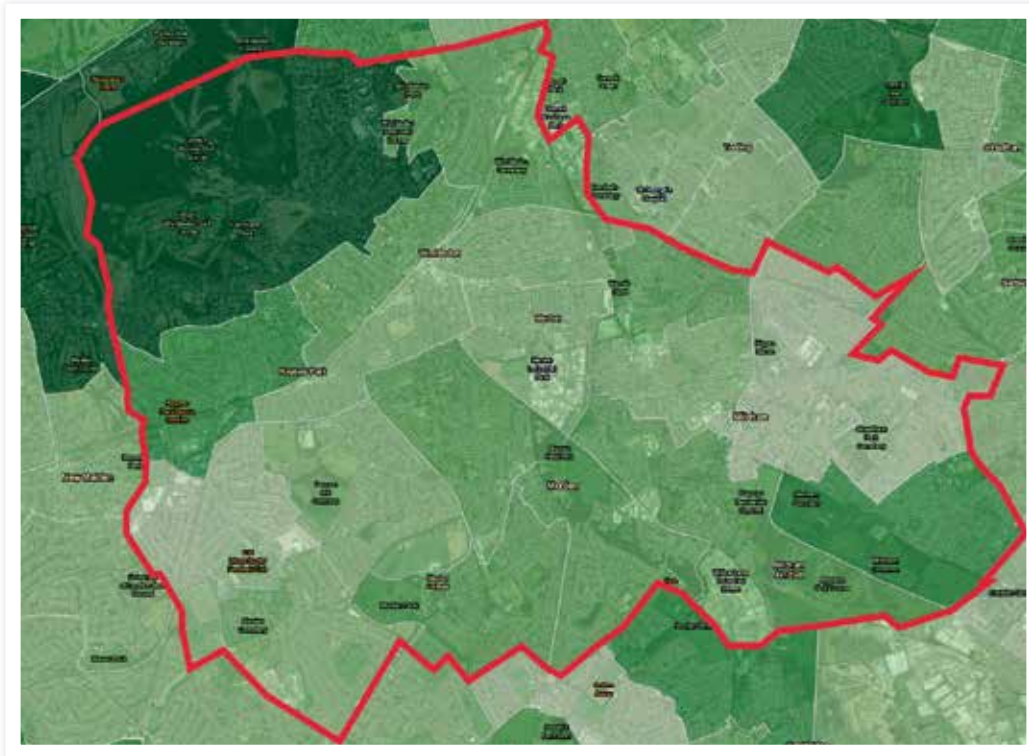


Figure 2 – Tree canopy cover distribution in Merton by Ward (pre-2022 Merton Ward boundary changes 2022). Darker green indicates more tree cover (Source UK Ward Canopy Cover Map. Forest Research)

Although overall canopy cover for the borough stands at 28%, this statistic is unrepresentative because it relies on a higher proportion of trees being situated in the west of the borough on Wimbledon Common, in the Wandle Valley and in the east of the borough on Mitcham Common.

Figure 3 illustrates canopy cover on a ward-by-ward basis (pre-electoral commission changes to Merton ward boundaries 2022). In this context, nearly all the wards in Merton have tree canopy cover well below London's overall average of 21%.

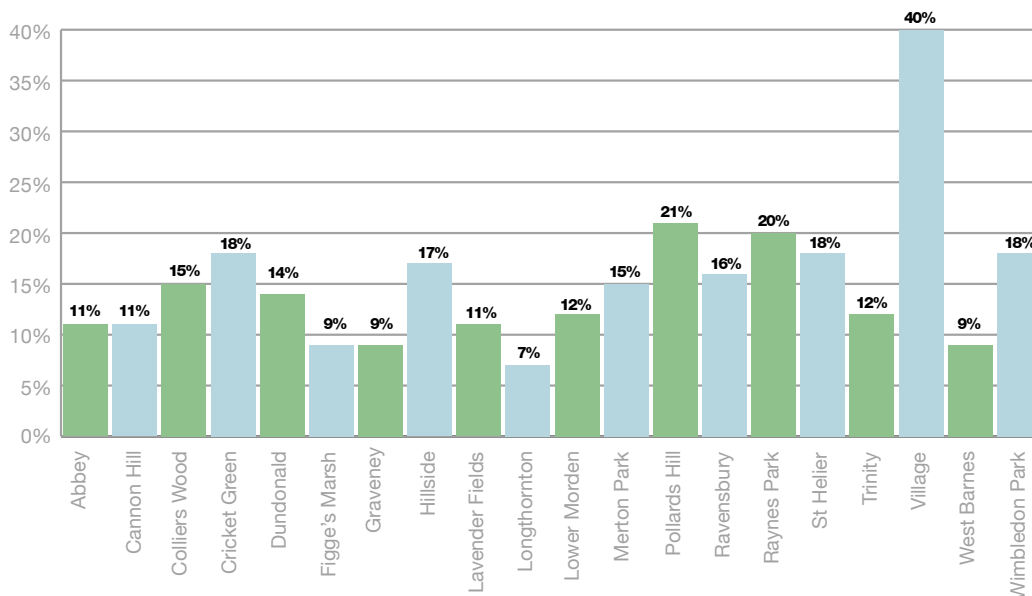


Figure 3 – Percentage tree canopy cover in Merton by ward (pre-2022 Merton Ward boundary changes 2022). (Source: UK Ward Canopy Cover Map. Forest Research)

Figure 4 compares ward tree canopy cover with population densities⁴ for equivalent. Wards of higher contrast show that the areas where the most people live are also the areas with lower tree canopy cover. The imbalance demonstrates key geographical areas in greatest need of pro-active tree canopy management – where and if this can be viably achieved. It also follows that the existing trees – not least council-owned trees – in more highly populated areas are of proportionately higher value in terms of the range of benefits they provide.

This knowledge and insight is helpful, but only goes so far. This is because we still need a much more detailed understanding about the composition of our urban forest and the value of its benefits, so that we can target effective improvements and benchmark our strategic progress. We also require updated canopy cover data to reflect current ward boundaries. This will enable us to focus our tree planning resource towards areas of greater need.

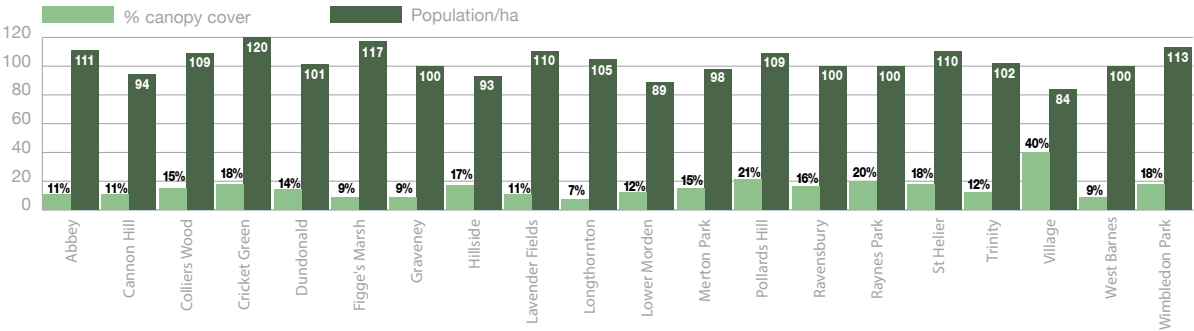


Figure 4 – Tree canopy cover in Merton compared in relation to population density (pre-2022 Merton Ward boundary changes). (Source: UK Ward Canopy Cover Map, Forest Research and UK National Statistics)

4 United Kingdom: London (Boroughs and Wards) – Population Statistics, Charts and Map (citypopulation.de)





4.2 Merton's council-owned tree population

Information relating to the management of Merton's council-owned trees is currently recorded using two separate software systems. The need to transition to a single system is recognised.

Based on analysis of our existing data we estimate that we are responsible for approximately 31,500 trees across the borough.

Most of our individual trees are associated with highways and are situated in parks, although we also have a significant number of trees at housing sites, schools, cemeteries and other facilities.

Figure 5 illustrates how our trees are distributed in terms of their general locations.

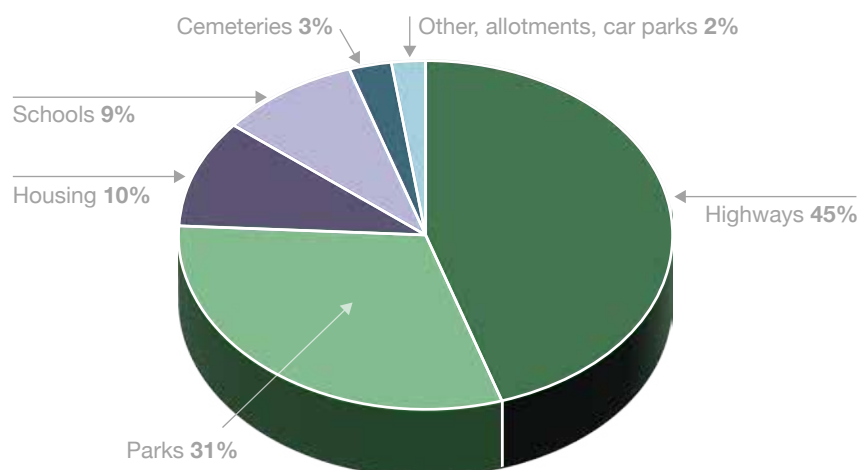


Figure 5 – General locations of council-owned trees

Analysis of our survey records suggests that our tree population is made up of just under 500 distinct species/varieties and cultivars. This diversity suggests longstanding expert arboricultural input to tree planting and species selection. However, when our tree population is analysed to categorise the tree population by genera (that is different species of the same 'types' of tree) the fundamental make-up of the overall tree stock appears less diverse.

Figure 6 shows that half of our total tree population is made up of trees from just five genera with another six genera making up for a further quarter. The remaining 24% of the tree population derives from 128 genera.

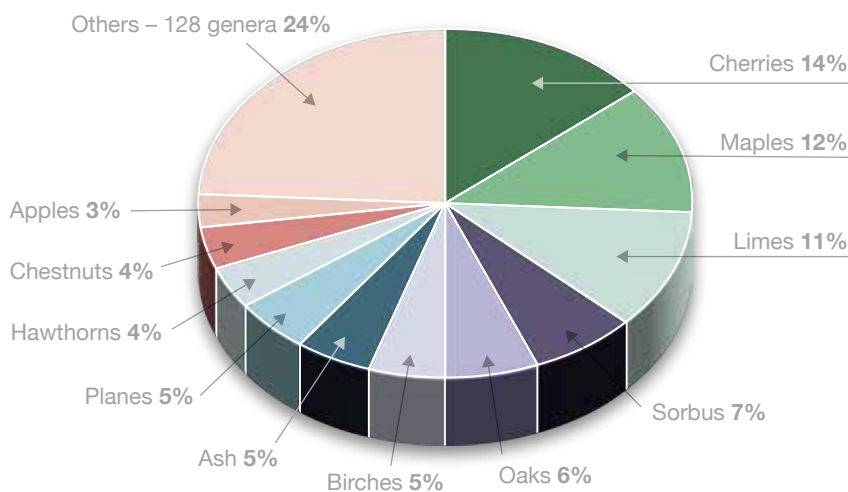


Figure 6 – Generic composition of council-owned trees

To qualify this, it is worth noting that within a particular genus there can be considerable variety. For example, our population of ‘cherries’ has at least 41 different species/varieties/cultivars of *Prunus*. Also, a genus can contain trees of substantially different sizes, for example, some ‘maples’ such as Japanese maple *Acer japonicum* are small and ornamental, whereas others, for example sycamore *Acer pseudoplatanus* and Norway maple *Acer platanoides* can become substantial trees in maturity.

Despite these considerations, and in general terms, we have an ongoing opportunity to improve the generic diversity of the council-owned tree stock. Lack of diversity means that significant proportions of our tree population are potentially vulnerable to host-specific pests and/or pathogens which might yet become established in the UK. This process is already underway, we have a wide range of different types of trees within almost a quarter of our tree stock.

To gain further preliminary understanding of the whole of our tree resource and its potential to deliver benefits for Merton, we have allocated the quantities of each species etc to one of five broad categories. Despite an inevitable degree of interchangeability, these categories seek to distinguish between:

- * Large broadleaf trees: 15m mature height and above.
- * Medium-sized broadleaf trees: 10–15m mature height.
- * Small trees: less than 10m mature height.
- * Conifers.
- * Shrubs.

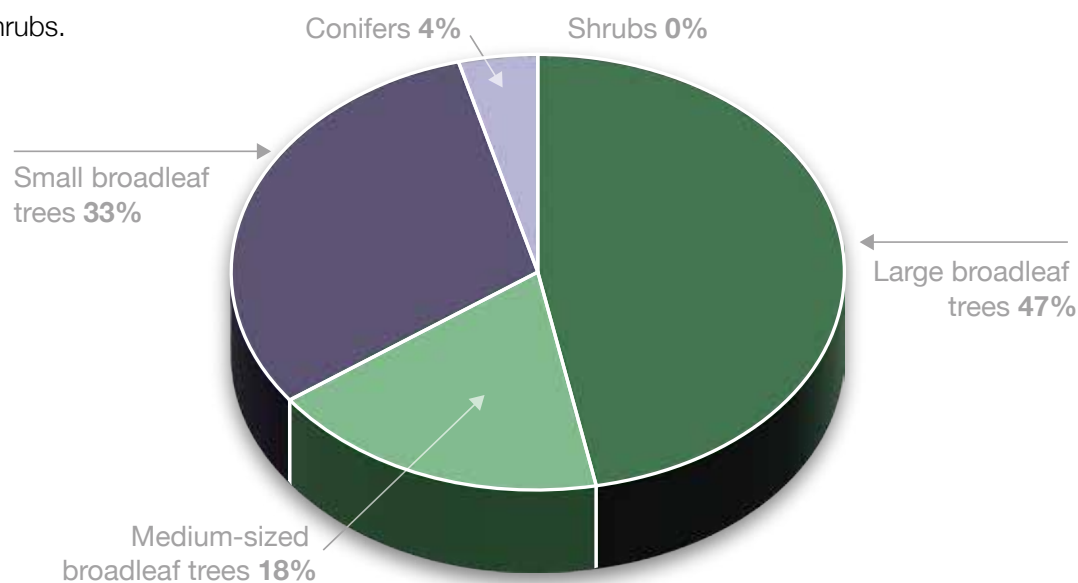


Figure 7 – Characteristics of council-owned trees in terms of potential mature size.

Figure 7 shows that almost half of our tree population is made up of potentially large-sized broadleaf trees. Although this is a positive attribute because large trees are the most beneficial in terms of green infrastructure function and climate change adaptation, this general finding must be qualified to an extent. This is because many of our ‘potentially large’ street trees are regularly pollarded (cyclically cut back to the same original pruning points) to contain their form and prevent them from achieving full size potential.

The analysis also indicates that we have a very low proportion of conifers. Because conifers can be particularly effective as absorbers of airborne pollution, this initial finding provides scope for additional focus to our tree planting initiatives.





Our inspection records focus on trees. Therefore this analysis suggests that we have a negligible shrub population. Obviously, our parks and other public spaces contain many shrubs and hedges, all of which make a positive contribution to green infrastructure function.

4.3 Tree planting on our land

The fundamental aims of the Service in relation to tree planting are:

- ✳ To improve the resiliency and to expand the tree canopy cover across the borough.
- ✳ To prioritise the planting of new green infrastructure in areas lacking trees to increase the species diversity of our tree population to build in resilience to pests and pathogens.
- ✳ To maximise the benefit and positive impact that tree canopy has on air quality.

We have a long-standing commitment to capitalising on viable opportunities to plant new trees on our land. Beyond this, however, there is a clear recognition that ‘putting the tree in the ground’ is only the first part of our fundamental responsibility to ensure effective *tree establishment*. In many cases, only well-planted trees that are properly looked after will be able to grow on to fulfil their potential and provide maximum benefits.

We actively participate in large scale tree planting schemes throughout the borough, notably:

- ✳ Block capital investments for tree planting annually.
- ✳ Participation in current tree planting funding streams such as the ‘Urban Tree Challenge’.
- ✳ Our commitment to plant a ‘Tree for Every Child’ in 2022 as part of the Queen’s Jubilee.

Other contemporary examples of tree planting on our land include:

- ✳ **Harris Academy, Wimbledon.** (February/March 2023).
100 standard-sized trees. CIL FUNDED £25,000.
- ✳ **Urban Tree Challenge Round 3.** (February/March 2023).
110 standard trees. MAYOR OF LONDON FUNDED £65,000.
- ✳ **Inter Faith Week Tree Planting.** (November 2022).
8 standard trees. COUNCIL FUNDED.
- ✳ **Ward Tree Planting** to commemorate Queens Green Canopy 75th Anniversary.
(January–February 2022). 20 standard trees. COUNCIL FUNDED.
- ✳ **Trees for Streets.** (December 2022 onwards).
110 standard trees. MAYOR OF LONDON FUNDED. £12,800.
- ✳ **Trees for Cities Community Woodland Scheme (Dave Lofthouse Memorial Woodland).** (February/March 2023).
6,000 whips and 12 standard trees. TREES FOR CITIES FUNDED £48,000.



We recognise that planting and establishing new trees requires a consistent and coherent approach. Traditionally, funding streams for tree planting schemes can be start and stop and therefore at times somewhat ‘piecemeal’. They can also be a reaction to specific events and receive large amounts of short-term publicity.

Our new strategic approach will be part of our treescape-orientated management. It will enable us to capitalise on tree planting scheme opportunities as they arise by incorporating these initiatives into our policy-led wider programme of tree planting and establishment.



4.4 What are the overall key challenges?

We face considerable challenges to cultivate healthy trees and to improve health, quality of life and the environmental character of the borough.

On a day-to-day basis, we must deal with the complexities of everyday interactions between people and our trees. Despite their many benefits, council-owned trees can also be associated problems and inconveniences of varying significance. There are various legal and other practical responsibilities that we must address in relation to:

- * Tree risk management,
- * Regular maintenance; and
- * Reactive management where appropriate to address problems and inconveniences caused by trees.

In the medium and longer terms we also face the challenges of improving the council's tree population so that it makes a positive contribution provision to public health, well-being as well as the borough's wider adaptation response to the climate emergency.

This means we must seek to future proof our tree population by trying to make it as resilient as we can in the face of a range of threats including:

- * Climate change.
- * Air quality improvements.
- * Increased incidences of pests and diseases; and
- * Development pressures.

We need to deal with these challenges and threats in a consistent way by defining clear aims and suitable policies to achieve them.





5. Where do we want to be?

5.1 General

We want to *optimise* our tree population. This means we are going to look after and preserve our existing trees so that they can live on give benefits for as long as possible. At the same time we shall take a considered approach towards appropriately planting and establishing as diverse a range of tree species of varying sizes as we can on our land. Our goal is to maximise the amount of sustainable tree canopy cover on our land whilst minimising tree-related problems and inconveniences.

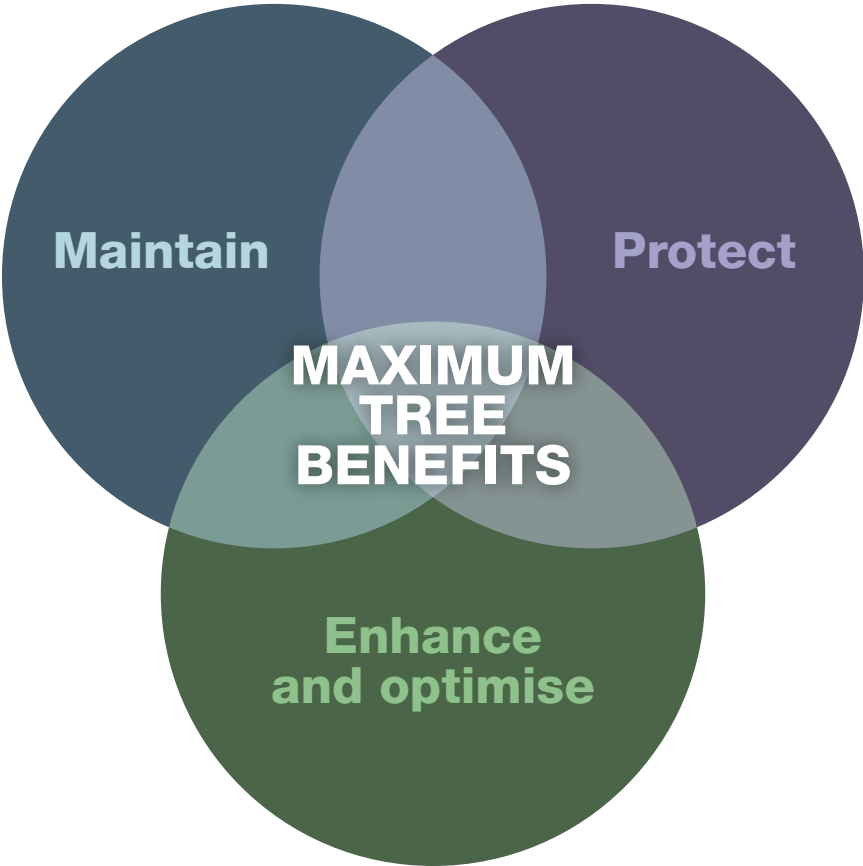
5.2 What are our aims?

Our overall tree strategy has three straightforward aims. In broad terms we shall seek to:

- ✧ **Maintain** our existing tree population and its current level of canopy cover.
- ✧ **Protect** our trees against a range of challenges/threats.
- ✧ **Enhance and optimise** our tree population to increase tree numbers and canopy cover to sustainably maximise tree benefits for future generations.

5.3 What are our objectives?

We shall apply clear policies designed to meet these aims in accordance with the Action Plan at **Appendix 3**. Details of performance indicators shall be developed and put in place separately.



6. How are we going to get there?

6.1 Policies

We have developed a range of policies to help us to achieve our aims. These fall into four categories:

- ✳ Tree Research (**TR**).
- ✳ Tree Maintenance and Management (**TMM**).
- ✳ Tree Protection (**TPR**).
- ✳ Enhancement and Optimisation (**EO**).

6.2 Tree Research (TR) – staying fully informed

Going forward we shall need up-to-date, detailed and definite comprehension of all the trees in Merton – not just council-owned trees. This means we must have suitable understanding of the composition and characteristics of our treescape or ‘urban forest’.

TR1 – Detailed study of Merton’s urban forest

To inform and enable effective management of all the trees in the borough, we shall undertake a systematic ‘iTree Eco’ study of Merton’s urban forest.

We shall proactively build on the preliminary knowledge of Merton’s tree canopy cover distribution as outlined at Section 4. This additional understanding shall enable us to prepare, implement and monitor a targeted borough-wide management plan – Part 2 of this tree strategy. We shall also seek to quantify the nature and extent of benefits provided by our urban forest.

Our study shall address the following areas in detail:

- ✳ **Overall canopy cover:** distribution of tree canopy cover not just on a ward-by-ward basis, but also to identify areas of greater and lesser need within these areas. This information can form an excellent starting point for the targeting of tree planting activities.
- ✳ **Structural composition:** survey and analysis of a suitable number of ‘plots’ throughout the borough. This information shall include (but shall not necessarily be limited to) details of:
 - Species mix.
 - Age range.
 - Distribution.
 - Health.
- ✳ **Functions and value:** we shall use the findings of our study to quantify the value of the many benefits that are provided by our urban forest: so-called ‘ecosystem services’.





TR2 – Continued analysis of council-owned tree population

To continue to refine our understanding of Merton’s council-owned trees through ongoing analysis of our improved tree survey and inspection data.

The ongoing implementation of Part 1 of our tree strategy shall mean more detailed information becomes available about the composition of the council-owned tree stock (for example, Policy TMM12). We shall regularly review and update the existing analysis (as set out at Section 4) of the council owned tree population’s characteristics and apply this knowledge to the implementation of tree management policies – particularly with regard to tree species selection and planting/establishment.

6.3 Tree Management and Maintenance (TMM)

There are two key aspects to the management and maintenance of our existing trees. These are:

✧ **Risk management.** How we manage:

- Risk from falling trees/branches.
- Risk of damage to structures.
- Other risks. For example, obstruction and encroachment by trees.

✧ **Tree works.** How we carry out:

- Planned tree works as part of scheduled maintenance.
- Reactive tree works in response to unexpected issues.

Also, how we:

- ✧ Prioritise tree works appropriately.
- ✧ Communicate the nature of works we are going to carry out.

Fundamentally, all policies are founded on an overarching presumption in favour of tree retention.

TMM1 – Presumption in favour of tree retention

Wherever it is viable to do so we shall not remove our trees. Council trees shall not be removed unless there are exceptional circumstances.

Because we recognise the value and importance of all the trees in Merton, we shall in all cases in the first instance seek to avoid the removal of any council-owned tree. This means that we shall explore pragmatic alternatives to felling that are proportionate to the tree’s value. We note that retention of dead trees for wildlife habitat is a legitimate management option in some circumstances.

In all cases, the decision to remove a council-owned tree must be suitably evaluated, judged on its merits and suitably recorded by the council’s arboricultural professionals.

TMM2 – Tree Risk Management Strategy

We shall implement and maintain a Tree Risk Management Strategy and a quantifiable system for assessing risk of harm from falling trees or branches.

Our Tree Risk Management Strategy is at **Appendix 4**.

TMM3 – Risk of damage to structures

We shall pro-actively manage the risk of damage to structures by our trees. In doing so we shall analyse all claims of alleged damage and, in suitably evidenced cases, implement reasonable and proportionate mitigation in a timely way.

As per TMM1, our default position shall be to seek to retain council-owned trees within our communities wherever viable.

Trees can damage structures either directly or indirectly (or both).

- ✳ **Direct damage** is generally caused by pressure that is exerted by the incremental thickening of a branch, trunk or root. The development of this type of damage is progressive and relatively slow. Examples of direct damage are:
 - Tree roots displacing kerb stones and/or lifting paving slabs.
 - Tree trunks/root buttresses causing adjacent walls to crack, lean or collapse.
 - Tree roots exploiting and making worse existing cracking in pipework.
- ✳ **Indirect damage** occurs on clay soils with the characteristic of expanding and contracting depending on moisture content. Water uptake through tree roots can result in soil drying and shrinkage beneath foundations, causing a building to subside and distort under its own weight. Associated cracking may compromise structural integrity.
- ✳ Conversely, a dried-out soil may rehydrate and expand if a tree is removed; a phenomenon known as ‘heave’.
- ✳ In general terms, clay soils shrink during the growing season and then swell when trees are dormant in winter and rainfall is higher. Related structural damage reflects this: the building levels rise and fall and crack widths fluctuate. Such cyclical movements can clearly implicate trees.

We acknowledge our **Duty of Care** to cultivate our trees to do all that we reasonably can to stop tree-related structural damage from happening. However, we also recognise that trees are not necessarily the cause of structural damage in every case. Because we recognise the importance of trees benefits, it means that we must manage our responsibilities proportionately.

Preventative action

We shall develop and implement a strategic system to control the risk of indirect damage by our trees to buildings. This will be achieved by identifying locations within Merton where there is significant risk of tree-related building subsidence. Our system shall be based on analysis of the locations and severity of previously evidenced subsidence claims and also use British Geological Society base maps to identify areas of shrinkable clay. As part of this process we shall also align and fully comply with current industry best practice such as all related and emerging protocols recommended by the London Tree Officers’ Association (LTOA).





TMM3 – Risk of damage to structures *continued*

In the areas where our arboricultural expertise considers that indirect damage is reasonably foreseeable (on clay soils), we shall operate a cyclical tree pruning regime. All trees within influencing distance of structures shall be subject to regular pollarding/crown reduction. The pruning shall be repeated at intervals of at least three years to reduce leaf area and control the trees' uptake of water from the soil.

Claims for damages

If there is alleged damage to a structure caused by a tree, it shall be the responsibility of the claimant to demonstrate (on balance of probabilities) the causal link. We shall co-operate by assessing all claims on a case-by-case basis and determining within a reasonable timeframe.

The levels of evidence to be provided in support of the claim must be proportionate to the value and importance of the relevant tree/s. If we consider that there is insufficient evidence then we shall challenge the claim, explain why, and request further information as may be necessary.

Submission of Evidence in support of a Claim

✧ **Direct damage:** written technical evidence from an appropriate expert, including description and analysis of the damage and options and recommendations for remediation.

✧ **Indirect damage:** as a signatory of the LTOA 'Joint Mitigation Protocol'⁵ we shall require levels of information that reflect the value and importance of the tree/s (refer to Appendix B of the Protocol for full detail). In summary:

- **Low value trees** (relatively insignificant trees which may be removed and replaced without significant harm):
 - A report on the damage.
 - A plan and profile of foundations.
 - A plan locating the building in relation to all significant woody vegetation in the vicinity.
 - Trial pit cross section drawing describing depth and underside of foundation.
 - Borehole log describing a borehole from base of trial pit to minimum of 3m depth.
 - Verifiable identification of any roots encountered beneath the underside of the foundation.

- **Medium value trees** (make an important contribution to the area):
 - All the above information.
 - Soil moisture content from within the borehole at 0.5m intervals.
 - Soil plastic and liquid limits from beneath foundation and at 2m depth.
 - Calculation of soil plasticity based on the above.
 - A control borehole (and log) with tests to enable accurate comparison with the above. OR
 - Oedometer/suction test results for underside of foundation and at 1m intervals within the 3m borehole.
 - Shear vane results from beneath the foundation and at 0.5m intervals within the borehole(s).
 - CCTV and hydraulic tests of drains (not Water Board owned) within 3m of the subsidence damage area.
 - Crack monitoring (but preferably levels monitoring).

5 <https://citypopulation.de/en/uk/london/wards>



TMM3 – Risk of damage to structures *continued*

- **High value trees** (make an extremely important contribution to the area):
 - All the above information.
 - Boreholes as above but to 5m depth.
 - Levels monitoring data for a suitable period from the initial date of the claim to demonstrate structural movement that is consistent with tree root activity.
 - Soil particle size distribution analysis if there are drains within 3m of site of damage.

Remedial action

Whenever our trees are implicated in structural damage, we shall evaluate the remedial management options in relation to the CAVAT value of the tree/s. In so far as reasonably practicable, we shall seek to retain medium and high value trees. On this basis, our indicative threshold to trigger the evaluation of alternative solutions to tree felling shall be a CAVAT value of £25K or greater, although other specific cases may be similarly reviewed at the discretion of the Arboricultural Manager.

We shall take suitable and proportionate action to mitigate the harm as soon as we reasonably can. In so far as reasonably practicable, we shall seek to retain medium and high value trees. Remedial options may include, but are not limited to:

- * Tree removal.
- * Tree pruning.
- * Root pruning.
- * Installation of alternative structural solutions eg underpinning, raised surfacing, flexible surfacing, root barriers.

In all cases, where trees must be removed, we shall endeavour to establish a sustainable so-called 'low water demand' replacement tree/s.





TMM4 – Regular inspections for general maintenance/other risks

We shall routinely inspect all relevant trees to pre-empt other risks (detailed below) along with associated general maintenance requirements. This shall be prioritised according to risk levels and site usage.

As some trees grow and increase in size, they may begin to encroach into infrastructure. If this issue is not managed, the range and level of associated risks to people going about their day-to-day activities will get progressively worse.

We recognise our Duty of Care and in taking responsibility we shall pro-actively manage other risks from relevant trees in our ownership by inspecting and maintaining growth as may be necessary.

To achieve consistency, we shall apply the following thresholds where intervention on public land is required:

- * **Sight lines** (road junctions, access points, road signs and traffic lights): clearance of 1m or three years' growth, whichever is greater.
- * **Roads and pavements:** height clearances to comply with highway codes of 5.5m over roads with bus routes and 3m (guide height) over other roads and pavements. Lateral clearance from road edge of 1m or three-years' growth whichever is greater.
- * **Footpaths and cycle paths:** height clearance of 3m and lateral clearance from edge of 1m or three-years' growth whichever is greater).
- * **Streetlights:** clearance of 1m or three years' growth, whichever is greater).
- * **Tree in contact with building:** clearance of 1m or three years' growth, whichever is greater.

Clearance specifications may be subject to reasonable adjustment based on arboricultural officers' assessment of site conditions and individual tree characteristics.

Unless there are exceptional circumstances, the above specifications shall apply only to branches and branch tips not trunks.

TMM5 – Reactive inspection of trees

Where unforeseen issues relating to council-owned trees are highlighted to us, we shall carry out appropriate reactive inspections in a timely way.

We may carry unscheduled inspections of our trees in some circumstances, for example if a tree risk issue is reported to us which we assess as needing further investigation.

In such a situation we shall carry out an inspection of the relevant tree/s in accordance with relevant tree strategy policies.

TMM6 – Standards of tree work

All tree work shall be carried out to British Standards recommendations by suitably competent contractors who fully comply with industry codes of best practice.

We shall appoint a single arboricultural contractor to service the borough over a fixed time. The contractor will be expected to fully engage with our arboricultural team to help deliver the highest standards of service. The Contractor will meet all relevant British standards and industry best practice. The Contractor will demonstrate a commitment to the ethos of our tree strategy.

As part of this process, we shall audit our arboricultural contractor to ensure compliance with legal and best practice obligations. We shall also intermittently carry out spot checks on contractors to ensure that appropriate standards and working practices are being maintained.

TMM7 – Commensurate Tree Replacement

We shall plant, protect and establish an appropriate number of suitable tree species required to replace the Green Infrastructure (GI) function of any council-owned tree that must be removed.

We recognise that it takes many years for replacement tree planting to seek to achieve the GI benefits that are provided by a large, mature tree if it has had to be removed. For this reason we shall adhere to a **Tree Replacement Standard**. This shall ensure that a proportionately larger number of replacements are planted depending on the trunk diameter of the tree that we have had to remove.

✧ Replacement commitment:

Tree replacement standard	
Trunk diameter in centimetres (measured at 1.5m height)	Number of replacement trees
<15	1
15 – <20	1
>20 – <30	2
>30 – <40	3
>40 – <50	4
>50 – <60	5
>60 – <70	6
>70 – <80	7
>80	8

✧ Location of replacements: wherever it is practical and sustainable to do so, we shall plant at least one replacement tree as close as possible to the location of the tree that has had to be removed. Other trees shall be planted on nearby land identified as being suitable for tree establishment as part of our Enhancement and Optimisation policies.

✧ Species selection shall reflect a suitable evaluation of site conditions.

✧ Replanting shall be carried out during the planting season at the time of or immediately following the removal of the tree where practicable to undertake.

✧ Establishment and aftercare shall be in accordance with EO5.





TMM8 – Processing and actioning of tree enquiries

We shall maintain and seek to continually improve customer service telephone and online systems, to enable easy online reporting, assessment and investigation of tree issues.

All customer enquiries about our trees shall be received via our website and/or call centre and shall be initially processed by our customer services team. To improve the efficiency of this process, we have published 'Frequently Asked Questions' about common tree issues on our website. We shall also operate and improve our online reporting systems.

Enquiries shall be dealt with as follows:

✿ **Emergencies relating to council-owned trees**

- Office hours – enquiry passed to Arboricultural Officer for assessment and action.
- Outside office hours – enquiry passed to Duty Officer. Contact the Arboricultural Officer if necessary.

✿ **Emergencies relating to privately owned trees**

- We **do not** provide a service to carry out work to privately-owned trees. We shall only intervene to carry out work to privately owned trees in exceptional circumstances: when there is an imminent danger and where the owner of the tree has failed to act within a reasonable timescale.
- In these circumstances we shall act in accordance with the Miscellaneous Provisions Act 1976, Section 23 and/or the Highways Act 1986.
- Cases to be assessed by the Arboricultural Officer with decision to act made by Assistant Director of Service.

✿ **General enquiries**

A basic procedure for the processing of general tree-related enquiries is set out below:

- Record customer name and contact details along with exact location of the tree and a description of the problem.
- Determine that the tree is council owned.
- Determine if Policy TMM9 applies? If yes, advise customer in accordance with tree strategy policies.
- If TMM9 does not apply and the enquiry relates to risk of harm, damage to structures or encroachment/obstruction/other safety issue, ask customer to email details of the enquiry and photographs and refer the case to the Arboricultural Team.
- If desk-based assessment by Arboricultural Team cannot resolve the issue, we shall aim to carry out a site visit and assessment (advising the customer of findings, management recommendations etc) in a timely way.

TMM9 – Management of tree-related inconveniences and problems

We shall not remove/prune a council-owned tree (or enter private property to tidy a site) to reduce tree-related inconveniences unless there are exceptional circumstances.

We hold the view that in almost all cases the benefits to the wider community that are provided by our trees outweigh the disbenefits that may be experienced by smaller numbers of individuals.

Examples of tree-related inconveniences:

- ✳ **Perceived fear of consequences of tree failure:** it is very common, especially during stormy conditions, for people living close to or beneath large trees to worry about what might happen if a tree breaks or falls. Our Tree Risk Management Strategy (TMM1) is designed and implemented to reduce the likelihood of harmful tree failures to acceptable levels and we hope that this can provide reassurance.
- ✳ **'Mess':** leaves, twigs, fruits, nuts, poplar/willow 'fluff', blossom can all fall periodically from trees. We shall only 'tidy' or otherwise manage tree-related detritus in relation to our own property.
- ✳ **Obstruction of daylight/sunlight to interior rooms and gardens:** there is no legal 'right to light' in relation to obstruction by deciduous trees.
- ✳ **Clearance from utilities:** it is the responsibility of the utility provider to liaise with us to maintain arboriculturally acceptable clearances. Cables can be relocated or 'sheathed' to prevent abrasion against trees, and we shall encourage this action as the initial option.
- ✳ **Obstruction of satellite TV reception:** it is the responsibility of the satellite TV provider to locate receiver dishes etc in locations that are unobscured by trees.
- ✳ **Wildlife issues:** trees provide valuable habitat for wildlife (mammals, birds, insects and fungi). Whilst this has many benefits, wildlife in trees can also have associated inconveniences:
 - Mess associated with bird droppings.
 - Secretions by aphids (known as 'honeydew') resulting in sticky mess and subsequent growth of sooty moulds.
 - Squirrels using branch tips to gain access to inadequately secured buildings.
- ✳ **Obstructing a view:** whilst a tree might obstruct one person's view, it is also likely to be an important and worthwhile component of someone else's.
- ✳ **General tree perceptions:** in some cases a tree is thought to be 'too tall' or 'too large'.
- ✳ **Encroaching branches:** branches from our trees may grow across boundaries and encroach over properties. Provided that the tree is not located in a conservation area or otherwise protected, there is a right in common law to prune encroaching branches/roots back to the boundary. Although the pruned branches remain our property, in these circumstances we do not wish them to be returned to us. In carrying out work of this nature and to comply with Health and Safety obligations, there must be no access onto council-owned land. We encourage anybody considering carrying out such work to communicate with us beforehand. Please note that if such work results in the death or destabilisation of a council-owned tree we reserve the right to apply Policy TPR3.
- ✳ **Allergies:** tree pollen can be associated with allergies such as hayfever.





TMM9 – Management of tree-related inconveniences and problems *continued*

Exceptional circumstances may include:

- **High evergreen hedges:** we shall manage the height of a row of two or more evergreen trees/shrubs if we consider that it forms a barrier to access or light and inhibits a person's 'reasonable enjoyment' of their property.
- Other exceptional circumstances shall be assessed on a case-by-case basis.

TMM10 – Communication and advice of tree works

We shall comply with statutory requirements and government guidance to ensure there is appropriate communication with stakeholders prior to the removal of any street tree. We shall also suitably communicate with our stakeholders to explain the reasoning for any significant tree works that we carry out.

The Environment Act (2021) imposes a duty on local authorities to consult on the felling of street trees. This duty to consult is intended to ensure that members of the public are appropriately consulted on the felling of street trees, which contribute positively to the quality of urban life.

Accordingly, we shall establish and operate systems (including maintaining an up-to-date register of stakeholders) to ensure that we operate fully in accordance with the requirements of DEFRA guidance; which currently in preparation. This guidance shall set out timescales and advice on how to interpret the requirements of the statutory duty.

For other council trees:

Unacceptable risks and actionable nuisances

For unacceptable risks, actionable nuisances and other urgent operations (including tree removals) required to control assessed levels of unacceptable risk or an actionable nuisance we shall necessarily be unable to give prior notice of work to be carried out. However:

✿ We shall publish explanation/clarification of our decision on our website within 10 working days.

Significant tree works

Notwithstanding Policy TMM1, if we consider that there is good reason to schedule significant tree works, we shall communicate as best appropriate. This may involve contact via:

✿ Website.

✿ Social media.

✿ Ward members.

✿ Stakeholder and Friends/Residents' Groups.

TMM11 – Prioritisation of tree work

We shall prioritise our tree work to deal with highest risks, responsibilities and liabilities.

Risk of harm

Our Tree Risk Management Strategy commits us to assessing and quantifying the risks from our trees by using a recognised system. This means that we can analyse our tree population to:

- ✳ Identify the highest, most significant risks.
- ✳ Categorise our trees in terms of tolerability of risk:
 - ‘Unacceptable’.
 - ‘Tolerable if ALARP’.
 - ‘Broadly acceptable’/cyclic work programmes.

For unacceptable tree risks we shall instruct our contractor within the business day of becoming aware of the incident (which may necessitate a site visit) to carry out the work as soon as possible.

In relation to the above, we have determined the levels of work priorities and Service Level Agreements for task completion as follows:

- ✳ Level 1 – work to be carried out as soon as possible within the day of notification.
- ✳ Level 2 – work to be carried out within five (5) working days of notification.
- ✳ Level 3 – work to be carried out within ten (10) working days of notification.
- ✳ Level 4 – work to be carried out within 30 working days of notification.
- ✳ Level 5 – work to be carried out within three (3) months of notification.
- ✳ Level 6 – work to be carried out to pre-agreed project milestones – as applied to cyclic work programmes (ie pollarding and basal/epicormic growth management).

This approach means that we may not be able to reduce all the tree risks that have been categorised as Tolerable. However, we consider that it does mean we shall have reasonably and proportionately prioritised our actions according to assessed severity of risk and the availability of our resources. In this way we shall seek to prioritise managing all our trees so that the risk of harm is As Low As Reasonably Practicable (ALARP).

Structural damage

If we have assessed evidence and accept on the balance of probability that a council-owned tree is responsible for damage to a structure, we shall treat the matter in the same way as for an unacceptable risk and carry out necessary work within a slightly extended timeframe of one month.

Other tree works

All other tree works shall be scheduled as part of regular maintenance.





TMM12 – Recording and maintaining tree data

We shall maintain effective records in relation to all aspects of the management of our trees.

We recognise that good record keeping and data management is an essential aspect of effective arboricultural management for the following key reasons:

- ✿ Enables best understanding of the characteristics and make-up of the council's tree stock.
- ✿ Access to organised records and data is important to ensuring a legally defensible standpoint.
- ✿ Enables consistent 'replacement' financial valuation of the tree population in parts and overall.

Going forward, we shall transfer all existing tree survey data to a single tree-specific database, 'Ezytreev'. We shall also seek to maintain clear records in relation to all other aspects of our service.

TMM13 – Wildlife

In managing our trees, we shall comply with our legal and policy responsibilities to protect wildlife.

Where feasible and appropriate we shall seek to manage our trees with a view to maintaining and improving wildlife habitat. In doing so we acknowledge and recognise that certain 'open' habitat types such as meadows, heathland and wetlands, would decline in biodiversity value if trees were planted or allowed to establish by natural regeneration.

All tree work shall be carried out with appropriate procedures to seek to prevent reckless or wilful disturbance of wildlife (nesting birds and bats) in accordance with relevant legislation including but not limited to:

- ✿ Wildlife and Countryside Act 1981.
- ✿ Protection of Badgers 1992.
- ✿ Conservation of Habitats and Species Regulations 2010.

We shall support existing biodiversity aims/action plans including 'Merton WildWays', work appropriately within designated sites, seek to preserve green corridors and pro-actively manage irreplaceable habitats particularly ancient and veteran trees but also meadows, heathland and wetlands.

Where it is appropriate and viable to do so we shall favour natural regeneration and rewilding over tree planting as a means of enhancing canopy cover.

6.4 Protecting our trees

Our tree protection policies are set out below:

TPR1 – Tree Preservation Orders (TPOs)

We recognise our duty to protect trees if this is expedient in the interests of amenity. Within Part 2 of our tree strategy we shall set out our approach to serve and maintain TPOs to preserve publicly and privately-owned trees.

In Part 2 of our tree strategy we shall:

- ✳ Set out our own definition of ‘amenity’ (which is not defined by relevant legislation) to encompass considerations including (but not limited to): climate change adaptation, wildlife benefit, contribution to character of conservation area, others as may be relevant.
- ✳ Commit to developing our own system to help us assess amenity in a consistent way.
- ✳ Commit to reviewing our existing TPOs to make sure that they are up-to-date, in a digitised format and enforceable.
- ✳ Consistently and systematically enforce contravention of TPOs.

TPR2 – Trees in the planning process

We recognise our legal duty in determining applications for planning permission in proximity to trees. Within Part 2 of our tree strategy we shall clearly set out policies to make adequate provision for the protection and planting of trees within the context of new development.

In Part 2 of our tree strategy, we shall:

- ✳ Reference and build on relevant tree protection policies within the emerging Merton Local Plan and to reflect Regional and National best practice.
- ✳ Pave the way for preparation and publication of a separate Supplementary Planning Document (SPD) relating to trees. Key aspects shall include:
 - Clear guidance for developers.
 - Use of tree valuation systems as a means of quantifying tree losses and suitable compensatory replanting.
 - Use of financial bonds for the purposes of tree protection during the construction process.
 - Application of a tree replacement standard and clear planting specification requirements
 - Emphasis on professional arboricultural input before during and after the construction process.
 - Requirements for tree establishment monitoring reports for newly planted trees for a period of five years after planting.





The following policies deal specifically with protection of council-owned trees and the benefits they provide.

TPR3 – Provision of internal/external guidance and training

We shall publish good practice guidance to internal and external parties who carry out work operations in proximity to council-owned trees.

Many working practices such as excavations for services installation and/or resurfacing of roads and pavements have considerable potential to damage our trees.

We recognise that it is important to encourage a culture of tree protection as part of day-to-day activities and shall publish guidance on our website to encourage good working practices and minimise likelihood of damage occurring.

For non-statutory undertakers wishing to carry out works near to our trees we shall require a suitable Arboricultural Method Statement to be submitted and approved by our arboricultural team before any work is carried out.

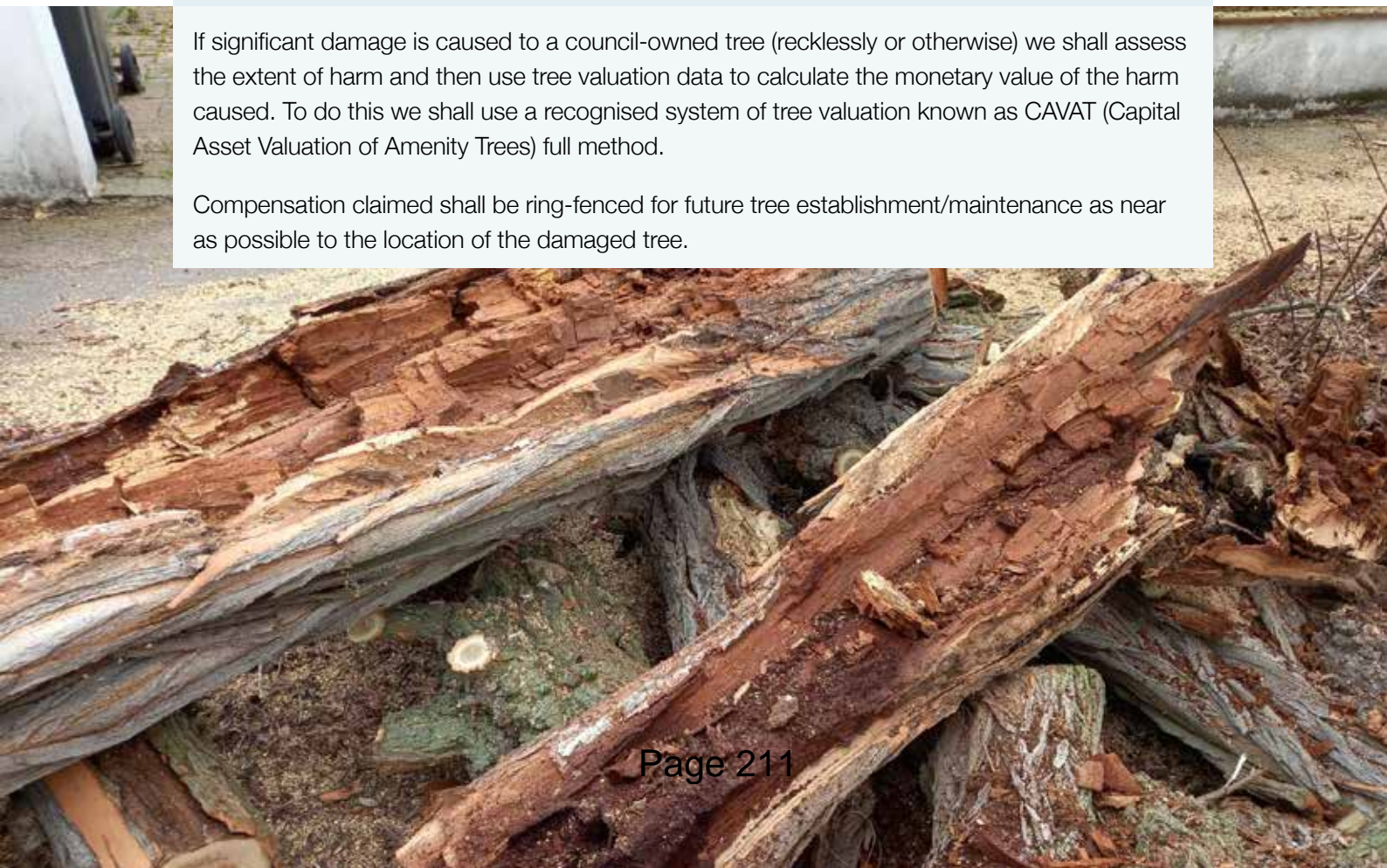
We shall prepare and offer presentation-based training for council staff who carry out work with the potential to damage our trees. If required, we shall extend this service to external organisations.

TPR4 – Compensation for damaged/destroyed trees

We shall seek to pursue any external individual/organisation responsible for damaging our trees to achieve a commensurate level of financial compensation.

If significant damage is caused to a council-owned tree (recklessly or otherwise) we shall assess the extent of harm and then use tree valuation data to calculate the monetary value of the harm caused. To do this we shall use a recognised system of tree valuation known as CAVAT (Capital Asset Valuation of Amenity Trees) full method.

Compensation claimed shall be ring-fenced for future tree establishment/maintenance as near as possible to the location of the damaged tree.



TPR5 – Protecting our trees from pests and pathogens

We shall implement pro-active biosecurity working practices to reduce risk of harm to and from our trees due to pests and pathogens.

The potential for introduced pests and diseases with potential to cause significant harm to the health and condition of our tree population has greatly increased over recent decades. In general terms, this can be attributed to increased human activity at a global scale creating so-called 'pathways' for introduction to the UK. In many cases, this problem is likely to be compounded by a warming climate creating more favourable conditions for infestation and infection.

Less diverse tree populations with high proportions of single species are potentially more at risk. Also tree species that are native to the UK are potentially more at risk from introduced pests and pathogens because of a lack of co-evolutionary natural resistance. There is a significant risk to UK trees from introduced pests and pathogens that are already established in mainland Europe. For example, canker stain of plane (*Ceratosystis platanii*), emerald ash borer (*Agrilus planipennis*), pine processionary moth (*Thaumetopoea pityocampa*), Xylella (*Xylella fastidiosa*) amongst many others.

Conversely, as well as harm to individual trees and tree populations, some pests and diseases also have varying significant implications for the health and safety of people. For example, caterpillars of the oak processionary moth *Thaumetopoea processionea* produce irritating hairs that can cause skin rash, eye irritation and breathing difficulties in humans and animals. Ash dieback disease *Hymenoscyphus fraxineus* typically results not just in terminal tree decline but also in embrittlement of branches and limbs making them more likely to break and fall.

We shall:

- ✧ Understand the species make-up of council-owned trees and seek to maximise the diversity of its species composition through a combination of new and replacement planting.
- ✧ Proportionately assess trees for the presence of significant pests and diseases as part of our overall programme of inspections.
- ✧ Ensure that our retained arboricultural contractor adheres to high biosecurity working practices:
 - In-house training on biosecurity matters.
 - Completion of biosecurity risk assessments.
 - Use of appropriate PPE, hygiene and sanitation practices.
 - Observation and reporting of pests and pathogens to Arboricultural Officer.
- ✧ Periodically monitor work sites and staff to ensure adherence to good biosecurity control measures.
- ✧ Report suspected cases of tree ill-health to the Forestry Commission as appropriate⁶.
- ✧ Plant appropriately sourced trees, ideally UK grown by reputable suppliers that have been inspected for pests and pathogens on delivery to the planting site.





TPR5 – Protecting our trees from pests and pathogens continued

Oak processionary moth (OPM)

Merton is now designated as an area where OPM has become established.⁷ This means that responsibility for management of the disease rests with us as tree owners and that no external practical assistance for control is available.

We recognise that OPM is a public health problem and shall advise and co-operate with Environmental Health colleagues to develop and implement an **OPM Action Plan** that reflects guidance published by DEFRA⁸, the LTOA⁹ and the Tree Council¹⁰. Our OPM Action Plan shall be proportionate to our resources and shall adopt a systematic yet flexible, risk-based approach to control. In other words, it is likely that we must target our resources to control the pest at more highly frequented locations such as school grounds and picnic areas.

Ash Dieback Disease

Ash dieback is a serious threat in the south-east of England, Merton Tree Officers monitor for infection and spread that could cause the decline and possible death of many infected trees.

To manage the impacts of ash dieback we shall develop and implement a suitable **Ash Dieback Action Plan** (ADAP) in accordance with the Action Plan Toolkit published by the Tree Council¹¹.

TPR6 – Permitted development on council land

In carrying out development works on our own land and in proximity to our trees we shall comply with industry best practice for tree protection.

Where permitted development is proposed close to council-owned trees we shall:

- ✳ Carry out an assessment of the trees and the constraints that they pose in accordance with the current version of BS5837 'Trees in relation to design, demolition and construction – recommendations.'
- ✳ Carry out a CAVAT valuation of the trees on the site.
- ✳ Evaluate options for establishment of new trees.
- ✳ Analyse and evaluate the arboricultural impacts (both positive and negative) of the permitted development proposals. Determine whether:
 - Tree protection measures can mitigate harmful effects and enable effective tree retention.
 - The arboricultural benefits of the proposals outweigh the disbenefits.
- ✳ Specify effective clear protective measures for the protection of trees in accordance with BS5837 along with suitably detailed method statements for carrying out work in proximity to retained trees.
- ✳ Require regular auditable monitoring of the effectiveness of tree protection during the construction process.
- ✳ Require evidence to confirm that proposed tree planting has been carried out and that effective establishment has taken place.

7 ManagementZones_Approved2022__002_.pdf (publishing.service.gov.uk) Accessed 14.06.2022

8 OPM Resource Hub – Home (fera.co.uk)

9 Oak Processionary Moth Guidance Note (ltoa.org.uk)

10 Tree-Council-OPM-Toolkit-for-Local-Authorities-January-2022.pdf (treecouncil.org.uk)

11 Tree-Council-Ash-Dieback-Toolkit-2.0.pdf (treecouncil.org.uk)

TPR7 – Installation of verge/pavement crossovers/dropped kerbs

We shall determine all applications for installation of verge/pavement crossovers/dropped kerbs in accordance with council's crossover policy to protect Merton's existing and proposed council-owned treescape.

The residential need for vehicle crossovers to facilitate access to property is well understood, but this needs to be balanced with the need to support our green infrastructure and protect trees due to their contribution to our communities.

Root damage caused by excavations associated with the installation of close-proximity crossovers is likely to be harmful to council-owned trees. Root loss disrupts a tree's capacity to take up moisture and nutrients (which are essential for healthy growth) from the soil and results in a corresponding shock to vitality. In the short term, symptoms tend to manifest as crown and root system deterioration but, as time progresses, weakened trees can terminally decline due to colonisation by wood decay fungi and/or other pathogens. Root damage is therefore a significant potential risk to the sustainability of council-owned tree assets.

The position of the strategy is that applications for the construction of verge/pavement crossovers/dropped kerbs that require the removal, or which have potential to significantly harm a council-owned tree shall be refused unless there are exceptional circumstances.

Construction of a crossover requires excavations for foundations as well as other ancillary highway works. If these are carried out in the vicinity of street trees (see table below) there is a considerable likelihood that root damage will occur. The decision of just how sustainably close a new crossover can be to a highway tree depends on not just the current size of its likely root spread, but also a realistic consideration of its potential to grow, increase in size and potentially cause problems in the future.

The minimum recommended distances (based on BS5837:2012) between trunk and the edge of a proposed crossover are set out below.

Minimum distance between street trees and edge of crossover		
Merton street tree size class	Current trunk diameter at 1.5m height	Protection radius (BS5837:2012) from trunk
Young	up to 25cm	3m
Small	25cm–40cm	4.8m
Medium	40cm–60cm	7.2m
Large	60–80cm	9.6m
Extra large	>80cm	9.6m–15m (capped)

Any crossover application that is within the tolerances as outlined above, shall be required to include the submission of an Arboricultural Method Statement. The statement shall also include the analysis and evaluation of the proposals by a suitably qualified arboriculturist (NVQ/Lantra Level 4 and above, or equivalent).





TPR7 – Installation of verge/pavement crossovers/dropped kerbs continued

Details to be provided:

- ✿ Survey information (in accordance with the current BS5837) detailing the above and below-ground dimensions of nearby council-owned trees and an assessment of their quality. This information must detail a well-reasoned explanation of likely tree root distribution/morphology in relation to the presence and influence of nearby structures. This must be represented on a plan.
- ✿ A CAVAT valuation of relevant trees.
- ✿ Full construction details including scaled sections through areas of proposed excavation.
- ✿ A suitable assessment of likely arboricultural impacts and the Arboricultural Method Statement: clear specification of appropriate tree protection measures and associated site-specific working methodologies.

If we consider that insufficient information has been provided, we shall not validate the application and we will provide clear feedback explaining what further detail is required to help us reach our decision.

Where exceptional circumstances apply, and unless otherwise agreed in writing with the council, if a council-owned tree must be removed/damaged the applicant shall be responsible for:

- ✿ Payment of compensation commensurate to the CAVAT value of the tree (funds shall be ring-fenced for the planting and establishment of new trees on council land).
- ✿ The costs of tree and stump removal by an approved contractor.

We strongly recommend that all contractors/operators carefully document all work in proximity to council-owned trees. This is because where we consider that work has not been carried out correctly and that significant harm has been caused, we shall gather evidence and, where appropriate, implement TPR4.

In addition to the above, applications that will result in the significant or strategic loss of tree planting opportunities (specifically identified as part of implementation of EO3 of this tree strategy shall also be refused unless there are exceptional circumstances.



TPR8 – Installing and maintaining infrastructure and other work near to council-owned trees

Infrastructure works must be carried out in accordance with best arboricultural practice to minimise associated risk of harm to our trees

We recognise that maintenance of highways and below ground services is essential to keep Merton running effectively. Also, that in some cases work may be carried out as a statutory undertaking. However, if work is not carried out in an appropriate way, activities such as excavations and/or resurfacing are likely to harm our trees.

Root damage harms a tree's vitality because it disrupts its capacity to take up moisture and nutrients (which are essential for healthy growth) from the soil. Symptoms initially tend to manifest as crown and root system deterioration and dieback, however in the longer-term weakened trees are made more susceptible to colonisation by wood decay fungi and/or other pathogens. This can result in decline/death and or instability with associated risk of harm to people and property. Root damage is therefore a significant potential risk to the sustainability of council tree assets and the benefits associated with the wider treescape.

For services installation, all relevant operators must work in accordance with guidance produced by the National Joint Utilities Group 'Guidelines for the planning, installation and maintenance of utility services in proximity to trees'. The following subjects are discussed within NJUG10.

- * How roots are damaged (root system, types of damage, if roots are damaged).
- * How underground services are damaged (direct damage, root incursion, indirect damage, wind movement of the tree).
- * How to avoid damage to trees (trench type and design, backfilling).
- * Additional precautions near trees.
- * Special considerations when planning services.
- * Precautions when repairing existing services.
- * Avoiding chemical damage to trees.
- * How to avoid damage to services by trees.
- * Above-ground services.
- * Legislation and other guidance (statutory framework, other guidelines).

In addition we recommend all contractors also follow the London Tree Officers Association guidance <https://www.ltoa.org.uk/surface-materials-around-trees-document/file>

We recommend that all contractors and other operators plan their work beforehand, photograph site conditions prior to commencement and seek independent arboricultural advice about how best to deal with the task in hand. The arboriculturist should provide an 'Arboricultural Method Statement' which sets out a clear sequence of operations and details exactly how the work must be carried out.

We strongly recommend that all contractors/operators carefully document all work in proximity to council-owned trees. This is because in relevant cases where we consider that work has caused significant harm, we shall gather evidence and, where appropriate, implement TPR4.





6.5 Enhancing and optimising our tree stock

EO1 – Community and stakeholder involvement

We shall actively engage and co-operate with community, and other stakeholder groups that wish to be involved with aspects of management of existing trees as well as new tree planting and establishment on council-owned land.

We recognise that all Merton residents hold a stake in ‘council-owned’ trees and that active involvement with planting and caring for trees results in strong community cohesion and well-being, ensuring that we are contributing to and building a sustainable future. Because of this, we shall encourage approaches from community and other stakeholder groups, for example Merton Tree Wardens, friends groups and residents’ associations with a view to suggestions for and participating in looking after council-owned trees.

We acknowledge and shall continue to support in practical ways the worthwhile contributions that have been made to Merton’s trees by many stakeholders over the years.

Some key areas in which well-co-ordinated involvement can make a positive difference include contributing to:

- ✿ Preliminary assessment of land for potential tree and hedge planting.
- ✿ Aspects of tree planting, aftercare and establishment.
- ✿ Keeping a weather-eye on council-owned trees for obvious defects/risk features that may be significant to safety.
- ✿ Communication of rationale for proposed work to council-owned trees.

EO2 – Education

We shall encourage and support educational and teaching activities in Merton’s schools that are designed to help young people develop wider awareness and enthusiasm for trees and the many benefits that they provide.

We believe that educating and involving young people is a vital part of building a resilient awareness of trees and the natural environment, long-term well-being and a sense of involvement with Merton’s trees and open spaces.

Trees provide an excellent focus for teaching ideas and activities across the National Curriculum. We shall seek to contribute positively to educational initiatives and teaching activities involving trees. Key areas of anticipated involvement shall include:

- * Forest school provision.
- * Partnership with Royal Forestry Society’s ‘Teaching Trees’ programme and a ‘Junior Forester Award’.
- * Provision of ‘tree-training’ resources, curriculum support and educational resources.
- * Encouraging and facilitating involvement with tree planting and establishment in school grounds.
- * Involvement of schools in local tree planting activities in the wider community.
- * Support for associated services. For example, social work outreach, educational psychology/behavioural services, special educational needs, virtual schools and children in care.

We recognise the need to focus these activities to try to benefit more disadvantaged parts of the borough. To this end we shall give due consideration to:

- * Pupil premium register.
- * Schools without school grounds.
- * Schools with smaller intakes.

EO3 – Planning for tree planting and establishment

We shall seek to maximise the amount of viable and diverse tree canopy cover on our land with a view to contributing to contributing to the canopy cover increase target of 10%. To do so we shall carry out an audit of all relevant council-owned land and assess its suitability for long-term establishment of appropriate new trees.

Central to our approach is that tree planting and establishment must be an “intellectual process” that achieves balance between site conditions, tree selection and good working practice.

Our central objective and main desired outcome is to enhance and optimise the existing population of council-owned trees and the benefits that they provide. This means:

- * Maximising the overall area of sustainable tree canopy cover with focus on areas where there is greatest need.
- * Diversifying the number of different tree species and age ranges within the overall population.
- * Achieving a resilient tree population in the face of a changing climate and increased levels of threat from pests and pathogens.
- * Anticipating and minimising future levels of inconvenience potentially associated with the newly planted trees.





EO3 – Planning for tree planting and establishment *continued*

A key part of this process is to develop a detailed understanding of the land that we own and its potential suitability to sustain new tree planting for the long-term. There are three main stages:

Stage 1 – Identification of all potential planting sites

We shall work with stakeholders (including FutureMerton and Highways) to identify viable locations to establish trees. This shall involve consideration of, for example, DDA compliant pavements, utilities close to the surface beneath roads and potential for EV charging equipment on or off street.

Desk-based aspects:

- ✧ Identification of all council green spaces on a ward-by-ward basis using existing GIS mapping facilities.
- ✧ Assessment of each area using aerial imagery and/or online ‘Street View’ tools to identify if space exists for tree establishment.
- ✧ Gather of pro-forma information: ground covering (grass/hard surfacing), approximate available space, preliminary assessment of suitability for tree planting.
- ✧ Where desk-based results are limited or inconclusive, a preliminary site visit shall be carried out to complete the assessment.

On site:

- ✧ Identify all empty tree pits within highway pavements and other public hard surfaced areas.
- ✧ Note: empty tree pits may be temporarily tarmac-filled for trip hazard management but do remain viable. As such they will continue to be listed on our databases as planting locations.

Stage 2 – Evaluation of potential tree planting sites

Sites identified as having potential for tree establishment shall undergo more detailed viability assessment to enable informed decision-making regarding tree species/stock selection, site preparation and maintenance. Key aspects:

- Ground assessment.
- Climatic factors.
- Existing above and below ground features.

Stage 3 – Tree species selection

Tree species selection shall adhere to the principle of the ‘**right tree in the right place**’. To achieve this we shall utilise guidance including that published by the Trees and Design Action Group (TDAG)¹².

Where appropriate we shall also consider the site’s suitability for tree establishment and ecological enhancement by ‘natural regeneration’

We recognise that native tree species can be highly important in terms of their wildlife associations. However, due to their vulnerability to imported pests and pathogens we shall not exclusively just plant ‘native’ trees.

12 Tree Species Selection for Green Infrastructure – Trees and Design Action Group (tdag.org.uk)



EO4 – Tree planting specification

We shall use clear and suitably detailed specifications for planting, supporting and protecting new trees to be established on our land.

Tree planting requirements vary greatly depending on the size and form of the tree and the site conditions. Transplants or ‘whips’ are relatively straightforward to plant, support and protect, whereas larger trees represent greater investment and merit a more considered approach depending on the setting. We shall plant all trees in response to site conditions and in accordance with best industry practice. We shall make specific reference to the principles and practices detailed in BS8545:2014 – Trees: from nursery to independence in the landscape.

Key considerations are:

- * Planting pit design and backfill.
- * Support and protection for the new tree.
- * Tree species choice (for location and also diversity/strengthening of tree stock going forwards).
- * Appropriate mulching, irrigation and aeration.
- * **Protection of trees from vandalism/trimmer damage.**

EO5 – Establishment and aftercare of newly planted trees

We shall cultivate, protect and support all our newly planted trees until they are satisfactorily established and self-sufficient.

We recognise that post-planting aftercare is essential for new tree establishment. Therefore, at suitably regular intervals we shall seek to ensure that all newly planted trees are appropriately:

- * Supported.
- * Watered.
- * Mulched.
- * Protected from damage (eg from vandalism, strimmer use etc).
- * Formatively pruned.

Where instructing tree planting and establishment by contract we shall give due consideration to use of contract clauses to stage payments for a suitable time and until the planted trees are properly established.

We shall also work with one of our primary stakeholder groups, the Tree Wardens, to carry out leaflet drops encouraging local residents to water nearby recently planted trees.





EO6 – Management plans for existing key arboricultural features and irreplaceable trees

We shall devise and implement bespoke management plans for the benefit of our key arboricultural features, including veteran and ancient trees.

We are responsible for many individual trees and groups of trees that have specific management requirements. For example:

- ✧ Very large landscape feature trees (in excess 30m height). For example, but not exclusively, those within Ravensbury Park, Wandle Park, very large pines in Cannizaro. Also, street tree planes such as those situated in Dorset Road and Sheridan Road.
- ✧ Historic trees such as cedar trees in John Innes Park oaks in Cottenham Park, Morden Park, Morden Recreation Ground, Wimbledon Park and Cannon Hill Common. Also including some street trees such as Ridgway, Cannon Close and Chalgrove Avenue.
- ✧ Trees in relation to prehistoric mounds or other archaeological features
- ✧ Aged oak trees on Cannon Hill Common and the need for their branches to be propped and supported. Propped trees in Cottenham Park and Cannon Hill Common.
- ✧ Retention of dead trees and monolithed trunks for their invaluable dead wood wildlife habitat.
- ✧ Use of air-spading for inspection/vertical mulching.
- ✧ Requirement for a veteran tree inventory/survey.
- ✧ Morden Park (and other sites) event management compaction management. We shall manage the conflicts between events (small and large) and potential impacts on the natural environment. It is the landscape features such as large mature trees which make sites attractive to events, but events must not be to the detriment of the site. For this reason, we shall use barriers and ground protection (which many be temporary or permanent) in accordance with British Standards recommendations.
- ✧ Allotment sites and land adjacent to river banks where there are self-set, established trees and there has been encroachment by allotment holders.
- ✧ The Wandle trail.
- ✧ Sites of special ecological or arboricultural importance due to their unique nature where specific management is required to safeguard such as but not exclusive to:
 - Cherry Wood.
 - Remnants within Hillcross Primary School.
 - Woodmansterne Road Nature Reserve.
 - Horse Close Wood in Wimbledon Park.
 - Nature reserve areas in Morden Park, Cannon Hill Common, Coombe Woods, Fishpond Wood etc.
 - Areas around ponds/lakes, for example, in Morden Park and on Cannon Hill Common.

7. Monitoring, review and revision

7.1 Three-monthly monitoring

The Arboricultural Service shall provide the Assistant Director of Service with brief progress monitoring reports on a three-monthly basis with specific reference to a departmental Annual Tree Action Plan (ATAP).

The progress monitoring reports shall reflect data and feedback from the wider Arboricultural Team regarding the effectiveness of the tree strategy Part 1 policies and specific ways in which they might be improved. This information shall be gathered and recorded as part of team members' day-to-day activities.

7.2 Annual peer (Officer) review

The effectiveness of Part 1 of the tree strategy shall be formally reviewed every year by the Head of Park Services and the Arboricultural Manager to evaluate its fitness for purpose. Key aspects for consideration may include but shall not be limited to:

- ✧ Incorporation of new data about Merton's urban forest derived from the i-Tree study arising from Part 2 of the tree strategy.
- ✧ Evaluation of ATAP objectives and the extent to which they have been achieved.
- ✧ Review and interim refinement of policies.
- ✧ Identification and definition of new objectives and updates.
- ✧ Any other aspect considered relevant to improve quality, efficiency and optimise tree benefits.

7.3 Three-yearly service review

The implementation of the tree strategy and its effectiveness also shall be subject to internal service review carried out by a Merton senior manager to tree management every three years. This shall consist of:

- ✧ Analysis of the progress monitoring reports and peer reviews in relation to defined outcomes in relation to the Strategic Tree Action Plan (STAP).
- ✧ Evaluation of current the STAP and refinement of any objective within the plan.
- ✧ Further review and interim revision as may be necessary.
- ✧ Any other aspect considered relevant to improve quality, efficiency and optimise tree benefits.

7.4 Six-yearly formal revision

Based on learning outcomes from the above processes, Part 1 of the tree strategy shall be collectively formally reviewed, redrafted (in consultation with key stakeholders) and subsequently formally re-adopted by the council every six years.





Appendices



Cannizaro Park

Appendix 1 – Summary of tree benefits

Some of the benefits provided by urban trees

Healthy urban trees and the collective benefits of their canopy cover are the essential means to make Merton an even better place to live.

Just some of the benefits of urban trees are listed and described below:

Environmental benefits:

- * Carbon capture and storage.
- * Reduction of ‘urban heat island effect’ (this is where buildings and hard surfaces absorb and retain heat during hot weather).
- * Cooler living and street environments during summer. This is due to microclimates associated with the evapotranspiration and shading effects.
- * More stable winter temperatures. Trees reduce wind speed and turbulence which in turn reduces infiltration of cold weather into buildings.
- * Sound absorption and noise reduction.
- * Absorption of air pollution.
- * Rainfall interception and sudden flooding risk reduction.
- * Habitat provision for wildlife and increased biodiversity.
- * Essential feature of green infrastructure.

Societal benefits:

- * Improved health and wellbeing. Greener environments with trees encourage healthy active lifestyles, and generally alleviate stress, anxiety and depression.
- * Heritage Trees create a sense of place, historic context and local character.
- * Increased community involvement and local identity.
- * Reduced crime.

Economic benefits:

- * Increased house prices. A well-treed locality positively influences perception of place and increases property values. Where there are significant numbers of larger, more established trees property values are substantially higher.
- * Increased value to potential development sites. Trees provide natural context, green infrastructure function and sense of place.
- * Creation of attractive environments for shopping activity.
- * Creation of attractive environments for business investment and employment.
- * The positive wellbeing effects of well-treed living environments result in reduced demand on public health services.

Areas with mature trees can be worth more as development sites.



Appendix 2 – Key national, city and local policies which support the need for a tree strategy

National policy

England Tree Action Plan 2021–24

Highlights the importance of tree strategies as an opportunity for local communities to decide where new trees will be planted and how existing trees will be protected.

Trees in Towns 2

A 2008 study by Department for Communities and Local Government Trees in Towns 2 which highlighted the need for co-ordinated and coherent management of local authorities' tree populations.

Regional policy

The London Plan 2021

Highlights the importance of trees and that London's urban forest and woodlands should be protected and maintained. This shall include:

- ✳ planting of new trees and woodlands, protecting 'veteran' trees and retaining existing trees of value as part of new development wherever possible. If trees must be removed the Plan requires provision for adequate replacement using a suitable valuation system.

London Environment Strategy 2018

Puts increasing tree canopy at the heart of the Mayor's vision to help make London greener, cleaner, more welcoming and more resilient. The Mayor's Programme for Enhancing London's Urban Forest includes:

- ✳ A major programme of tree planting to supplement tree planting by boroughs and support for larger scale woodland creation projects.
- ✳ Development of a new online map to enable Londoners and businesses to sponsor street tree planting in their area.
- ✳ Support for key organisations to promote best practice in managing and planting trees in the urban environment.
- ✳ Work with boroughs to increase shade and shelter.
- ✳ **Targets a 10% increase in canopy cover for the city overall.**
- ✳ Protection of existing tree resource, encouraging natural regeneration and creation of new woodlands.





Borough policy

Emerging Merton Local Plan 2022 – Policy O15.4 ‘Protecting Trees’

Key elements:

- * Commitment to protecting trees and the natural environment.
- * Protection of street trees.
- * Supports use of technological advancements to enable successful establishment and growth of new street tree planting.
- * Protection of trees using Tree Preservation Orders where appropriate.
- * Requirement for retention and protection of trees implicated in new development.
- * Requirement for replacement where tree removal is suitably justified. Use of tree valuation systems to quantify tree replacement/compensatory payments.
- * Selection of appropriate tree species for replanting.
- * Application of appropriate biosecurity measures.

Merton Climate Strategy and Action Plan

The Plan:

- * Highlights importance of ‘Strategic Tree Cover’ and emphasises trees’ important role in climate change adaptation, absorbing air pollution emissions and providing wildlife habitats.
- * Commits Merton to collaborating with major providers to encourage tree planting on private land.
- * Encourages tree planting in private gardens.
- * Encourages residents to join or sponsor a community tree planting group.
- * Envisages a Green Merton with more trees and vegetation leading to cooler and cleaner air, reduced flood risk.
- * States Merton has 28% canopy cover. Approximately 22,000 trees in total with two thirds tree cover in private gardens.
- * Commits the council to planting new trees on public land and council-managed green spaces.
- * Commits the council to developing a tree strategy by 2022 to increase tree cover by 10% by 2050 and increase public participation. This is stated to be equivalent to approximately 800 trees per year (both public and private land).
- * Sets tree planting targets: 1,600 additional trees established by 2022 (28% canopy cover), 11,200 additional trees planted by 2034 (29% canopy cover), 16,800 additional trees established by 2041 (30% canopy cover).

Appendix 3 – Action plan

Key issue	Key policies (note other policies may be relevant)	Action stage	Task description	Who responsible?	Outcome measures
Establish and improve effective understanding of Merton's Urban Forest	TR1	Implementation	<ul style="list-style-type: none"> Commission and commence 'iTree-Eco' (or similar approved alternative) survey of Merton's Urban Forest by specialist external organisation. 	<ul style="list-style-type: none"> Arboricultural Manager Head of Park Services 	<ul style="list-style-type: none"> iTree (or similar approved alternative) study commissioned to be delivered within defined timeframe. Survey work commenced.
		Operational	<ul style="list-style-type: none"> Formally engage with key stakeholder groups to encourage community involvement with the survey processes. Surveyors visit survey sample sites and report findings in accordance with contracted schedules. 	<ul style="list-style-type: none"> Arboricultural Manager Service provider/contractor 	<ul style="list-style-type: none"> iTree survey findings are reported by stated date. Nature and value of Merton's urban forest benefits are accurately quantified. There is detailed analysis of canopy cover and its composition on a ward-by-ward basis. All findings clearly reported in writing by contracted date.
Improve understanding Merton's council-owned tree population	TR2 TMM12	Developmental	<ul style="list-style-type: none"> Apply findings to inform and benchmark requirements for Part 2 of the tree strategy. Commission and implement Part 2 of the tree strategy. 	<ul style="list-style-type: none"> Arboricultural Manager Head of Park Services 	<ul style="list-style-type: none"> Part 2 of the tree strategy commissioned by stated date.
		Implementation	<ul style="list-style-type: none"> Review extent of existing tree survey data held on 'Mayrise' and Ezytreev. Identify gaps in existing street tree survey data held on Mayrise. Transfer all relevant existing Mayrise tree survey data to Ezytreev. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Summary report prepared to identify findings and detail any existing shortfalls in council-owned tree survey data. Ezytreev system updated to include data presently held on the Mayrise software system.
		Operational	<ul style="list-style-type: none"> Carry out site visits to gather necessary further information. Complete a full street tree inventory. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Full street tree inventory established on Ezytreev Mayrise system discontinued for purposes of tree management.
		Developmental	<ul style="list-style-type: none"> Collate and analyse updated information to further develop the existing analysis of the council-owned tree stock at Section 4. Evaluate findings and apply conclusions to inform emerging tree planting and establishment strategy. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Key findings incorporated into tree planting and establishment strategy.

Key issue	Key policies (note other policies may be relevant)	Action stage	Task description	Who responsible?	Outcome measures
Pro-actively manage the risk of harm from our trees	TMM2, TMM12, TMM6, TMM10, TMM11, TMM12, TPR5 Tree Risk Management Strategy	Implementation	<ul style="list-style-type: none"> Assess and identify all council-owned land containing trees. Transfer information to GIS and Ezytreev. 'Zone' relevant areas of each site according to observation and estimation of how busy. Use traffic light system (Red/Amber/Green). Transfer information to Ezytreev. Set up a 'Failure Log'. 	<ul style="list-style-type: none"> Head of park services Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> GIS layer prepared identifying all council land containing trees. GIS layer produced in relation to showing coloured usage zones. GIS information added to Ezytreev. 'Failure Log' established on system.
		Operational	<ul style="list-style-type: none"> Prioritise, timetable and carry out formal tree inspections according to Zone ratings. Provide online training resource to relevant Merton staff and key stakeholder groups to enable informal day-to-day observations and reporting of obvious tree risk features. Formally inspect and risk assess relevant trees using the approved system. Record all findings in Ezytreev and in the failure log. Communicate and carry out tree risk control measures within appropriate timeframes. Carry out and record contractor 'spot checks' to ensure standards compliance. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team Service provider/ contractor 	<ul style="list-style-type: none"> Online downloadable training resource prepared describing how to identify potential key tree risk features. Engagement with relevant Merton staff and key stakeholders to make the training resource available. Preparation of timetable of tree risk assessment inspections in relation to all Merton-owned land. Ezytreev and failure log maintained as up to date. All tree works appropriately communicated and carried out within required timeframes. Pro-forma contractor 'spot check' checklist prepared. One contractor 'spot check' carried out per month.
Pro-actively manage and maintain our trees	TMM4, TMM9, TMM10, TMM11, TMM12	Developmental	<ul style="list-style-type: none"> Monitor and review the tree risk management strategy and other relevant policies. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Record and log for ongoing monitoring and review.
		Implementation	<ul style="list-style-type: none"> Provide clear contract specification in line with TMM4 to Arboricultural Contractor to ensure appropriate clearances are established and maintained. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Service Level Agreement detailing maintenance inspection requirements required by TMM4 agreed with Arboricultural Contractor.
		Operational	<ul style="list-style-type: none"> Carry out walkover inspections to identify where maintenance pruning is required. 	<ul style="list-style-type: none"> Service provider/ contractor Arboricultural Team 	<ul style="list-style-type: none"> Record and log for ongoing monitoring and review.
		Developmental	<ul style="list-style-type: none"> Review Service Level Agreement to ensure suitable regular inspection of council-owned trees for general maintenance. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Revise existing tender documents to ensure that all general maintenance management is carried out by the arboricultural contractor within specified timescales and on an ongoing basis.

Key issue	Key policies (note other policies may be relevant)	Action stage	Task description	Who responsible?	Outcome measures
Reactively manage and maintain our trees in a consistent way	TMM5, TMM8, TMM9, TMM10, TMM12	Implementation Operational	<ul style="list-style-type: none"> Training in relation to tree-related issues for front-of-house customer services team. Respond to and action tree-related enquiries in accordance with tree strategy policies. 	<ul style="list-style-type: none"> Arboricultural Manager Customer Services Customer Services Arboricultural Team Service provider/contractor 	<ul style="list-style-type: none"> Set up and distribute clear guidance and procedures for customer services to enable consistent processing of tree enquiries in line with tree strategy policies. Provide training if required. Where appropriate and in line with policy, respond to tree enquiries within specified time scales. Communicate and implement tree works within specified timescales.
		Developmental	<ul style="list-style-type: none"> Gather feedback on effectiveness of systems and effect improvements as may be necessary. 	<ul style="list-style-type: none"> Customer Services Arboricultural Team Service provider/contractor 	<ul style="list-style-type: none"> Record and log for ongoing monitoring and review.
Manage the risk of damage to structures from our trees	TMM3	Implementation Operational	<ul style="list-style-type: none"> Review BGS data and previous subsidence claims to identify areas where tree-related structural damage is reasonably foreseeable. So-called 'hot spots'. Identify all Merton-owned trees within hot spots that have potential to cause indirect structural damage and carry out appropriate pollarding/other pruning works. Process any insurance claims arising. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Record 'hot spot' areas on GIS system and cross-reference with Ezytreev. Identify all Merton-owned trees within hot spots that have potential to cause indirect structural damage and carry out appropriate pollarding/other pruning works. All insurance claims processed in accordance with TMM3.
		Developmental	<ul style="list-style-type: none"> Review approaches in accordance with emerging best practice, particularly that produced by the LTOA. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Prepare interim updates to TMM3 in line with LTOA best practice notes and implement as appropriate.
Planting and establishment of an appropriate number of replacement trees	TMM7	Implementation	<ul style="list-style-type: none"> Establish auditable system for tree replacement. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Set up a 'Tree Replacement Log'.



Key issue	Key policies (note other policies may be relevant)	Action stage	Task description	Who responsible?	Outcome measures
	TMM7 continued	Operational	<ul style="list-style-type: none"> Maintain accurate records of tree removals. Plant and establish appropriate number of replacement trees. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> 'Tree Replacement Log' containing clear records of trees removed, their trunk diameters and the number of replacement trees that must be established. Appropriate number of suitable tree species planted in appropriate locations during the planting season at the time of or immediately following tree removal. Recorded in 'Tree Replacement Log and also as part of general new tree establishment records.
		Developmental	<ul style="list-style-type: none"> Review replacement commitment standards at regular intervals. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Record and log for ongoing monitoring and review.
Provision of internal and external guidance and training	TPR3, TMM8	Implementation	<ul style="list-style-type: none"> Tree awareness training for council staff who carry out work with potential to cause harm to trees 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Develop an online downloadable training resource describing how trees can be accidentally damaged and how this can be avoided.
		Operational	<ul style="list-style-type: none"> Promote training resource to relevant council staff and monitor uptake. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Record and log for ongoing monitoring and review.
		Developmental	<ul style="list-style-type: none"> Review training content and provide to other external contractors and other operators if required. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Record and log for ongoing monitoring and review.
Pests and pathogen management	TPR5, TMM7 continued over page	Implementation	<ul style="list-style-type: none"> Development of biosecurity action plans and checklists 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Develop a 'biosecurity checklist' for the arboricultural contractor to explain the best practice work standards that are required. Develop Biosecurity Action Plans for dealing with ash dieback disease, OPM and other relevant pathogens.
		Operational	<ul style="list-style-type: none"> Proactive and reactive inspection for pests and diseases as part of zoned and routine inspections, and in response to customer enquiries. Proportionate management responses to identified cases of pests and pathogens. 	<ul style="list-style-type: none"> Service provider/contractor Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Biosecurity Action Plans implemented. Biosecurity checklists incorporated into regular contractor spot checks. Cases of tree ill health recorded and reported to Forestry Commission. Significantly symptomatic ash trees removed from all high (and then subsequently) moderate use zones (refer to Tree Risk Management Strategy). Incidences of OPM dealt with proportionately in relation to land use and potential to cause harm.

Key issue	Key policies (note other policies may be relevant)	Action stage	Task description	Who responsible?	Outcome measures
	TPR5, TMM7 continued	Developmental	<ul style="list-style-type: none"> Maintain awareness of emerging tree pests and diseases and adapt management practices accordingly. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Record and log for ongoing monitoring and review.
Development management	TPR2, TPR6, TPR7, TPR8, TMM7	Implementation	<ul style="list-style-type: none"> Ensure relevant council services have clear understanding that damage to council trees must be avoided and how this can be achieved. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Internal communication carried out within the council to ensure all council-owned trees are fully considered as part of the design processes for all permitted development. Development of an internal consultation system to ensure assessment of potential arboricultural impacts and clear specification of suitable tree protection measures. Development of checklists for the assessment of applications for new pavement crossovers/drop kerbs.
		Operational	<ul style="list-style-type: none"> Provision of consistent, clear arboricultural consultation advice in relation to proposed development near trees. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Maintain records of arboricultural consultations received in relation to proposed new developments. Provision of consistent consultation responses with clear feedback in relation to applications with potential to harm council-owned trees.
		Developmental	<ul style="list-style-type: none"> Carry out site visits 'spot checks' to verify suitable compliance with tree protection requirements. Provide feedback to further improve tree protection. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Provision and implementation of arboricultural consultation advice becomes routinely part of council permitted development processes. Record and log for ongoing monitoring and review.



Key issue	Key policies (note other policies may be relevant)	Action stage	Task description	Who responsible?	Outcome measures
Stakeholder engagement and involvement	EO1, EO2	Implementation	<ul style="list-style-type: none"> Establish and maintain good relations with key stakeholder groups and schools. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Set up and maintain a stake holder database as relations evolve.
		Operational	<ul style="list-style-type: none"> Provide training. Create opportunities for involvement. Encourage and support tree-related teaching activities. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Provision of online training, information recording pro-formas and required methods of communication/reporting. Structured stakeholder involvement to reflect EO1 and EO2.
		Developmental	<ul style="list-style-type: none"> Engage with stakeholders to review effectiveness and improve systems. 	<ul style="list-style-type: none"> Arboricultural Manager 	<ul style="list-style-type: none"> Record and log for ongoing monitoring and review.
Planting and establishment of new trees	EO3, EO4, EO5	Implementation	<ul style="list-style-type: none"> Plan for tree planting and establishment. Engagement with relevant council departments eg Highways. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team 	<ul style="list-style-type: none"> Desk-based assessment and targeted site visits of council-owned land to identify potential tree planting sites and empty tree planting pits. Evaluation of potential tree planting sites and selection of sustainable tree species for each site. Preparation of tree planting schedules. Identification of sites suitable for tree establishment by natural regeneration. Tree planting contracts with clear planting specification requirements prepared.
		Operational	<ul style="list-style-type: none"> Plant new trees in accordance with best practice and according to budget availability. Quality assessment of tree planting. 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team Service provider/contractor 	<ul style="list-style-type: none"> Trees planted according to contracted specification.
		Developmental	<ul style="list-style-type: none"> Provide newly planted trees with suitable aftercare until established. Monitor planting success rates. Replace planted trees that fail to establish. Revise species planting lists to reflect possible environmental changes eg new pests and diseases 	<ul style="list-style-type: none"> Arboricultural Manager Arboricultural Team Service provider/contractor 	<ul style="list-style-type: none"> Tree establishment procedures carried out in accordance with contract obligations.

Appendix 4 – Tree Risk Management Strategy

General

To date, no fatalities or injuries have occurred in relation to our trees. However, we acknowledge our statutory duty and responsibility to implement suitable measures to inspect and maintain our tree population to seek to prevent harm due to falling trees/branches.

We also recognise that in some cases people's perception of tree risk can be a major cause of concern. We hope that this Tree Risk Management Strategy will be able to provide reassurance.

Our strategic approach to tree risk management is in accordance with national guidance¹³ published by the Forestry Commission and endorsed by the Health and Safety Executive (HSE).

We place great emphasis on the vast range of benefits and ecosystem services that are provided by our trees as part of Merton's overall Green Infrastructure. This enables us to act in a proportionate and reasonably practicable way – to maximise the vital benefits provided by our trees against tolerable levels of risk.

Our legal responsibilities

In working to fulfil our legal obligations in relation to Common, Civil and Criminal Laws, we shall take reasonable care to avoid acts or omissions that cause a reasonably foreseeable risk of injury to persons or property on land.

In summary, our key legal obligations are:

Common Law

- * Duty of care owed to all people who might be injured by a falling tree/branch whether they are located on or adjacent to council-owned land.
- * Liability: damages via civil legal action.

Civil Law (Occupiers Liability Acts: 1957 & 1984):

- * Duty of care owed to all people who might be injured by a falling tree/branch on our land.
- * Liability: damages via civil legal action.

Criminal Law (Health and Safety at Work Act (Sections 2,1 & 3,1): 1974):

- * Duty as an employer to ensure, so far as reasonably practicable, that in the course of our tree 'cultivation' that employees and members of the public are not put at risk: *"It shall be the duty of every employer to conduct his undertaking in such a way as to ensure, so far as reasonably practicable, that persons not in his employment who may be affected thereby are not exposed to risks to their health and safety."*
- * Liability: criminal prosecution in the event of infringement of legal duty.

¹³ National Tree Safety Group. (2011). Common Sense Risk Management of Trees. Forestry Commission. London



Hierarchy of responsibilities

Tiers of responsibility for tree risk management are detailed in **Table 1**.

Hierarchy of responsibility	
Role	Responsibility
Chief Executive	<ul style="list-style-type: none"> Overall responsibility from a corporate perspective
Director of Environment and Regeneration	<ul style="list-style-type: none"> Overall responsibility from a departmental perspective
Assistant Director of Environment and Regeneration	<ul style="list-style-type: none"> Management from a strategic and divisional perspective
Head of Service	<ul style="list-style-type: none"> Direct line management of service Contract Senior Manager (authorised officer) Audit of Tree Risk Management Strategy
Arboricultural Manager	<ul style="list-style-type: none"> Responsible officer Operational Contract Manager Co-ordination of service implementation
Tree Officers	<ul style="list-style-type: none"> Service implementation Instructing officer – contract works

Table 1 – Responsibilities for tree risk management

Our rationale for tree risk management

NTSG guidance provides valuable perspective by highlighting that the overall risk of death due to falling trees [or tree parts] in the UK is “extremely low” (equivalent to a 1:10,000,000 chance) and that the rate of non-fatal injuries attributable to trees is “exceedingly small” (55 cases per year compared to other leisure-related cases of approximately 2.9 million).

These levels of risk fall well within the category of ‘Broadly Acceptable’; as defined by the HSE in its Tolerability of Risk (ToR) framework (**Figure 1**) which defines three broad categories of risk:

- ✳ Unacceptable: higher than 1:10,000 likelihood of harm
- ✳ Tolerable: between 1:10,000 and 1:1,000,000 likelihood of harm
- ✳ Broadly acceptable: lower than 1,000,000 likelihood of harm.

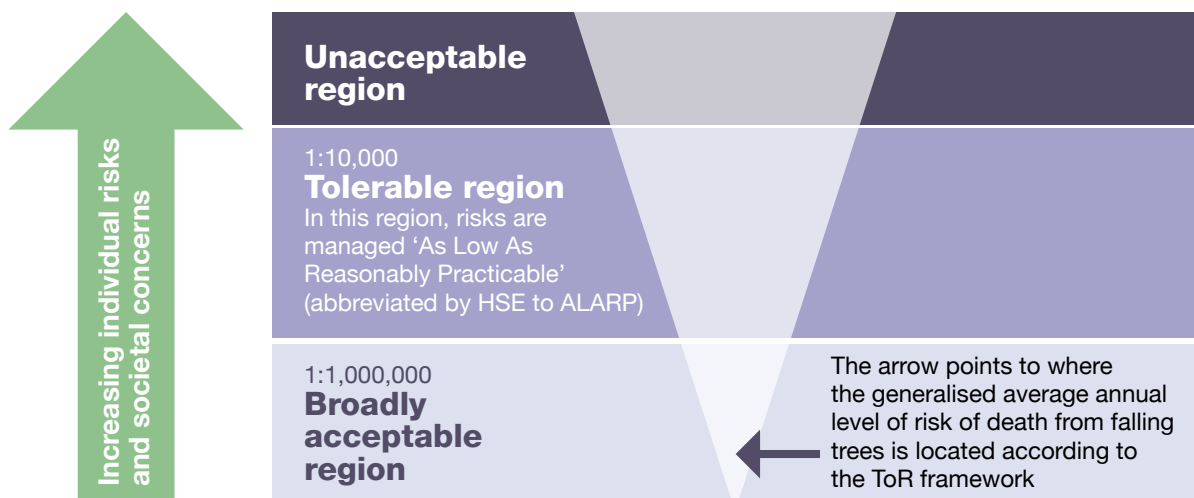


Figure 1 – Visual presentation of the level of general annual risks of death from falling trees – note the ‘tolerable region’ is where risks are managed As Low As Reasonably Practicable (‘ALARP’). Source: NTSG

The HSE requires that risk control measures are implemented in relation to all risks that are assessed as either unacceptable or tolerable. This does not mean that all risks have got to be removed – risks can be reduced to a tolerable or acceptable level.

Risks are tolerable if they are managed to be as ‘As Low As Reasonably Practicable’ (ALARP). In practice, this means that when we risk assess our trees, we must proportionately allocate our resources and weigh-up the level of a risk against the trouble, time and money needed to control it. In doing so, we accept that tolerable risks are also part and parcel of to maximising and preserving tree benefits. We shall not erode tree benefits by carrying out disproportionate risk control measures.

Our risk assessment process

Stage 1 – Establish where all our trees are located

We shall review our GIS mapping data of land-ownership and identify all areas of land that are our responsibility. Using our existing extensive knowledge of our tree stock, online aerial/‘streetview’ images and other local knowledge (for example Tree Wardens) we shall confirm whether trees are present on site. If there is uncertainty, we will visit the site to confirm, undertaking Stage 2 of our risk assessment process at the same time. Council-owned sites containing trees shall be recorded as a discrete ‘layer’ on our GIS asset management system.

Stage 2 – Zoning

With a view to efficient and reasonably practicable allocation of resources to areas where they are most needed (ie the highest risk areas), we shall ‘zone’ our tree sites (or if appropriate areas within our tree sites) according to how busy they are by making an assessment of the volume and frequency of people accessing the land in accordance with **Table 2**.

Usage Zone Guidance		
Zone Rating	Definition	Guide examples
High	<ul style="list-style-type: none"> • Busy and moderately busy areas in frequent use • Areas where there is a likelihood of high and moderate numbers people congregating on an irregular basis • Structures of significant worth in the event of damage. 	<ul style="list-style-type: none"> • All public ‘A’ roads, or other relevant transport infrastructure eg railways.
Medium	<ul style="list-style-type: none"> • Less busy areas in less frequent use • Areas where there is a likelihood of low numbers of people congregating on an irregular basis • Structures of moderate worth in the event of damage. 	<ul style="list-style-type: none"> • All ‘B’ and ‘C’ roads • Most footpaths • Open space • Allotments • Woodlands containing paths/desire lines • Buildings and structures of moderate worth.
Low	<ul style="list-style-type: none"> • Areas with infrequent low volume use • Areas where there is insignificant likelihood of people congregating on an irregular basis • Structures of low worth in the event of damage. 	<ul style="list-style-type: none"> • Woodland • Less accessible open space without paths • Structures of low worth (eg within cemetery sites).

Table 2 – Guidance for allocation of usage zones





Stage 3 – Prioritisation and carrying out zone inspections

Tree risk assessment inspections shall be prioritised according to zone ratings. All high zones shall be visited first with all medium zoned areas visited thereafter. It follows from this that in some cases only relevant parts of some sites shall be inspected for hazards in the first instance. Low usage zones shall not be subject to routine formal inspection. Instead, they shall be inspected by means of informal observation only (see below).

We shall use three levels of inspection:

Formal Inspections

- ✳ Carried out at set intervals on every tree within the zone to identify trees with obvious defects (an ‘obvious defect’ in the context of the growing environment of a tree is a structural, health or environmental condition that could predispose a tree to failure). Or
- ✳ Carried out as a ‘walkover/drive-by’ after storm events to look for recent damage.
- ✳ Carried out by a competent arboriculturist working at ground level using standard Visual Tree Assessment (VTA) processes.
- ✳ Further investigation of defects using probe/binoculars/sounding mallet if required.
- ✳ Findings recorded systematically on Ezytreev for all trees with obvious defects.

Informal Observations

- ✳ Carried out on a non-regular basis by our staff (whose day-to-day activities might take them to the site) and other local people (eg Tree Wardens).
- ✳ Used to pro-actively supplement Formal Inspections.
- ✳ In-house, basic tree inspection training relating to recognition of obvious defects shall be provided to relevant persons.
- ✳ Basic tree inspectors will “keep an eye on” trees and report anything posing an imminent threat to public safety to the Arboricultural Officer.

Detailed Inspection

- ✳ Carried out as required by a specialist arboriculturist in relation to high value trees that have been identified by previous formal inspection as giving high priority concern in terms of likelihood of failure.
- ✳ Shall involve the use of specialist methods such as resistance drilling to assist assessment of likelihood of failure.



Timing and frequency of inspections

Formal Inspections

These shall be scheduled to enable alternate visits to the trees during summer and autumn/winter. This will enable:

- ✳ Location and identification of fungal fruiting bodies associated with wood decay (these are typically most obvious during autumn).
- ✳ Visual assessment of limb and branch structure during winter (when leaves are not present on deciduous trees).
- ✳ Visual assessment of tree vitality during summer when deciduous trees are in leaf.

Inspections shall be at the following intervals:

- ✳ High usage zones: every 18 months to vary inspection times between the seasons.
- ✳ Medium usage zones: every three years six months.
- ✳ Low usage zones: only as required in response to informal observations reports of potentially significant risks.

Formal 'walkover' or 'drive-by' inspections shall also be carried out after all recognised 'severe weather' events. We define a severe weather event is defined as one that involves *average* wind speeds (ie not 'gusts') of Force 8 (39–46mph) on the Beaufort Scale.

Additionally, any individual 'special' trees (notable, veteran, heritage, ancient, champion) may be inspected at more frequent intervals specific to their needs and regardless of their location/zone rating. For example, a veteran tree in a high usage zone may be inspected on a quarterly annual basis whilst a similar tree in a low usage zone may be inspected much more infrequently. We believe that it is appropriate for arboricultural officers to exercise their own prudent judgement in this regard.

Stage 4 – Assessment of risk

We shall continue to assess risk by using a recognised system of quantified tree risk assessment.

Stage 5 – Recording of information

The maintenance of clear records is an essential part of our strategic approach. We shall use a single software package known as Ezytreev to record all data relating to risk management of all our trees.

A summary of inspection requirements is set out in table form on the following page:



Site usage zone	Level of inspection	Description	Information	Frequency of inspection	Inspector competency requirement
High	Formal inspection	<ul style="list-style-type: none"> Inspect every tree. Risk assess only trees with obvious defects. 	<ul style="list-style-type: none"> Record risk assessment findings in relation to every tree with an obvious defect/risk feature. Record that all other trees have been subject to formal inspection. 	<ul style="list-style-type: none"> Risk assessment repeated every 18 months to enable subsequent inspections during different seasons. 	<ul style="list-style-type: none"> Minimum QCF Level 4 Arboriculture. Professional Tree Inspection (LANTRA). Familiarity with suitable system of quantified tree risk assessment.
		<ul style="list-style-type: none"> Walkover/drive-by inspection following severe weather events. 	<ul style="list-style-type: none"> Record findings in relation to any new obvious defects associated with the storm event. Record that the formal walkover/drive-by inspection has taken place even if no obvious defects are observed. 	<ul style="list-style-type: none"> After defined severe weather events only. 	<ul style="list-style-type: none"> Minimum QCF Level 4 Arboriculture. Professional Tree Inspection (LANTRA). Familiarity with suitable system of quantified tree risk assessment.
	Informal observations	<ul style="list-style-type: none"> Generally observe trees as part of normal work operations when on the land. 	<ul style="list-style-type: none"> Report any obvious defects to the Responsible Person for actioning. Annual file note confirming informal observations are ongoing. 	<ul style="list-style-type: none"> Ongoing as part of normal day-to-day activities. 	<ul style="list-style-type: none"> Basic tree inspection in-house training. Familiarity with site conditions desirable.
	Formal inspection	<ul style="list-style-type: none"> Inspect every tree. Risk assess only trees with obvious defects. 	<ul style="list-style-type: none"> Record risk assessment findings in relation to every tree with an obvious defect. Record that all other trees have been subject to formal inspection. 	<ul style="list-style-type: none"> Risk assessment repeated every 36 months to enable inspection during different seasons. 	<ul style="list-style-type: none"> Minimum QCF Level 4 Arboriculture. Professional Tree Inspection (LANTRA). Familiarity with suitable system of quantified tree risk assessment.
Medium		<ul style="list-style-type: none"> Walkover/drive-by inspection following severe weather events. 	<ul style="list-style-type: none"> Record findings in relation to any new obvious defects associated with the storm event. Record that the formal walkover/drive-by inspection has taken place even if no obvious defects are observed. 	<ul style="list-style-type: none"> After defined severe weather events only. 	<ul style="list-style-type: none"> Minimum QCF Level 4 Arboriculture. Professional Tree Inspection (LANTRA). Familiarity with suitable system of quantified tree risk assessment.
	Informal observations	<ul style="list-style-type: none"> Generally observe trees as part of day-to-day activities. 	<ul style="list-style-type: none"> Report any obvious defects to the Responsible Person for actioning. Annual file note confirming observations are ongoing. 	<ul style="list-style-type: none"> Ongoing as part of normal day-to-day activities. 	<ul style="list-style-type: none"> Basic tree inspection in-house training. Familiarity with site conditions desirable.
	Formal inspection	None.	None.	None.	None.
Low	Informal observations	<ul style="list-style-type: none"> Generally observe trees as part of day-to-day activities. 	<ul style="list-style-type: none"> Report any obvious defects to the Responsible Person for actioning. Annual file note confirming observations are ongoing. 	<ul style="list-style-type: none"> Ongoing as part of normal day-to-day activities. 	<ul style="list-style-type: none"> Basic tree inspection in-house training. Familiarity with site conditions desirable.
	Formal inspection	None.	None.	None.	None.

Storm events: We define a severe weather event is defined as one that involves average wind speeds (ie not 'gusts') of Force 8 (39–46mph) on the Beaufort Scale

Stage 6 – Controlling tree risk

Risk control measures shall be specified in accordance with the overarching strategic aims of:

- * Maintaining tree benefits wherever it is appropriate to do so.
- * Carrying out a minimum level of work to reduce risk to an acceptable level.

Before tree pruning or tree felling is specified, due consideration must be given to alternative methods of controlling the risk or otherwise optimising outcomes. These methods are likely to be site specific but will typically involve managing use of the land around the tree:

- * Relocating play facilities, benches, paths etc.
- * Allowing long grass to grow beneath the tree to discourage access.
- * Planting brambles/blackthorn beneath the tree to deter access.
- * Monolithing for habitat purposes.
- * Retaining felled wood on the ground for habitat/play purposes.
- * Dead hedging, fencing, knee rails, mulching etc.

Prioritisation and communication of tree work to manage tree risk shall be in accordance with Policies TMM10 and TMM11.

Failure log and accidents procedure

When any tree/branch failures occur, they shall be recorded on the failure log along with associated details such as remediation works.

In the event of damage/harm occurring the following basic procedure should be followed:

- * Photograph the site extensively with particular attention to the failed parts of the tree.
- * Record contact details of any witnesses or injured parties.
- * If practical to do so, retain parts of the tree that have failed to enable possible future assessment by third parties.
- * Report the dangerous occurrence to the HSE using appropriate RIDDOR procedures.

The above details along with the following information shall be recorded

- * Species.
- * Age class.
- * Location.
- * Weather conditions.
- * Specific type of failure.
- * Contributing factors.
- * How foreseeable the event was prior to failure.
- * Action taken following failure.



Monitoring, review and audit

Monitoring

The Arboricultural Service Manager shall provide the Assistant Director of Service with brief email progress monitoring reports on a three-monthly basis (month end March, June, September, December). The reports shall address the following areas:

- * Tree failures occurred.
- * Sites inspected and summary of key findings.
- * Risk control management works carried out.
- * Extent to which on schedule to achieve necessary workload for the year.
- * Other relevant issues.

Review

The Tree Risk Management Strategy shall be reviewed and revised as may be necessary by the Arboricultural Manager (ie Responsible officer) annually, recording on the version control register that this has taken place. The following aspects shall be considered:

- * Changes to relevant legislation/case law/judgements etc that may be relevant.
- * Effectiveness of processes for assessing new council-owned sites for presence of trees if they come forward.
- * Accuracy and up-to-date Ezytreev data and Tree Sites GIS layer.
- * Accuracy and up-to-date Usage Zone GIS layer (these are likely to be refined as further site visits take place).
- * Effectiveness, ease of use and accuracy of the risk assessment system.
- * Effectiveness, ease of use and accuracy of the progress monitoring system.
- * Any other aspect considered relevant to improve quality, efficiency and optimise tree benefits.

The following performance indicators shall be applied to enable systematic review:

- * The Tree Risk Management Strategy is reviewed annually.
- * All subsequent amendments to the strategy are fully implemented.
- * All trees in the high and medium use zones are inspected within specified timeframes.
- * Records of informal observations carried out in relation to all sites.
- * All risk control works carried out within specified timescales.
- * Failure Log has been completed in full for all reported tree failures.
- * Post storm event inspections carried out and recorded in relation to all of high and medium usage sites.

Service Audit

The Tree Risk Management Strategy shall be subject to internal service audit carried out by a Merton senior manager to tree management every three years and consist of:

- * Assessment of a random sample of five sites: two high zone, two medium zone, one low zone to determine that procedures set out within the Tree Risk Management Strategy are being fully adhered to.
- * The purpose of the audit shall be to compare all actual working practices to the requirements of the Tree Risk Management Strategy, identify strengths and weakness in the system and make recommendations for improvement.
- * It shall be the responsibility of the Senior Manager to report any non-conformities to the Arboricultural Manager (ie responsible officer) who shall be responsible for implementing appropriate solutions in a timely manner.



LONDON BOROUGH OF MERTON

TREE STRATEGY 2023–2029



Cabinet

Date: 19 June 2023

Subject: Breast cancer screening, childhood immunisations and reducing self-harm among young people

Lead officer: Dr Dagmar Zeuner, Director of Public Health.

Lead member: Councillor Peter McCabe, Cabinet Member for Health and Social Care and Councillor Brenda Fraser, Cabinet member for Children and Young People.

Contact officers: Julia Groom, Consultant in Public Health, Dan Butler, Senior Public Health Principal, Barry Causer, Public Health Lead for Adults, Health Improvement and Health Protection.

Recommendations:

- A That Cabinet note the performance and progress, identified actions and the governance arrangements for the three programmes covered by the report.
 - B That Cabinet request that NHS England provides a breast cancer screening site in Merton as a matter of urgency. This would improve access to important services and contribute to reducing health inequalities.
 - C That Cabinet agree to continue to use Council channels to increase uptake of immunisations, screening and to promote services that support the mental health of children and young people.
-

1. Purpose of report and executive summary

- 1.1. This report provides an update to Cabinet on breast cancer screening, childhood immunisations and reducing self-harm in Merton. This report was requested through a motion approved at the July 2022 full Council meeting, which had a strategic theme of 'Supporting residents who are most in need and promoting the safety and wellbeing of all our communities with an emphasis on Health Inequalities'.
- 1.2. **Partnership working is critical to three programmes covered by this report, with improvements being secured through close working between Public Health, the NHS, service providers, our communities and by working directly with settings e.g. schools.** This report will consider performance and progress, identified actions and timelines and will set out the governance arrangements for the three programmes covered by the report.

2 DETAILS

- 2.1. This paper provides an update to Cabinet on three separate programmes that seek to improve the health of Merton residents: breast cancer screening, childhood immunisations and reducing self-harm among young people in Merton.
- 2.2. It should be noted that the roles and responsibilities are different for each programme:

- **NHS England commission screening and immunisation programmes.** Public Health have an oversight role for health protection, including screening and immunisations, and have strong partnerships in place, working positively and pro-actively with NHS England and providers at London, South West London and Merton level.
 - Reducing self-harm requires a multi-agency response. This is led by the Merton Child and Adolescent Mental Health (CAHMS) Partnership Board.
- 2.3 Each of the programmes – screening, immunisation and reducing self-harm – has its own established governance arrangements. The paper seeks to set out the high-level performance, activity and agreed actions to improve uptake and support for the three programmes. It does not seek to duplicate or create new governance mechanisms or to generate new actions for existing programmes.

3 BREAST CANCER SCREENING

Governance

- 3.1. Screening programmes are led by NHS England who have delegated responsibility from the Department of Health and Social Care to commission, contract, quality-assure and programme manage breast cancer screening. In South-West London, St Georges University Hospital (SGUH) provide breast cancer screening services for women aged 50 to 71, with screening invites being sent out to eligible women every three years.
- 3.2. There are 21 Cancer Alliances covering England with the aim to improve cancer pathways, early diagnosis and outcomes. RM Partners, hosted by the Royal Marsden NHS Foundation Trust, are the cancer alliance partner for South-West London, working in partnership with South-West London ICB. It is one of 21 Cancer Alliances established by NHS England to lead on the delivery of the cancer care recommendations in the NHS Long Term Plan.
- 3.3. Merton Public Health, via the responsibilities of the Director of Public Health, have a Health Protection oversight function to ensure plans are in place to protect their populations locally, including screening programmes and immunisations. An update on breast cancer screening, including detailed performance, was provided by NHS London to the Healthier Communities and Older People Overview and Scrutiny Panel (see 14.2 in background papers) in March 2023.

Performance

- 3.4. Due to the impact of the pandemic (see 3.8), Merton's coverage (women eligible screened in the last 3 years) has decreased significantly from 70.4% in 2020, to 59.9% in 2021 and reduced further in 2022 to 56.8%. This reduction in performance is not specific to Merton and affects all London boroughs.
- 3.5. The performance in Merton is significantly lower than the national target for breast cancer screening (70%), higher than the London average of 55.5% (2022) but lower than the England average (65.2%) in 2022. Merton is now ranked 14th out of 33 London Boroughs in Greater London for breast cancer screening coverage in 2022, with Havering ranked 1 (73.3%) and Hammersmith and Fulham ranked 33 (40.9%). This performance data is taken from the Public Health Outcomes Framework (PHOF) which provides annual data, however for more detailed data on uptake and coverage including monthly statistics please

see NHS London's Paper to the Healthier Communities and Older People Overview and Scrutiny Committee (see 14.2 in background papers).

- 3.6. As part of the Health Protection Oversight function, and to inform this paper, NHS London, RM Partners, SWL ICB and SWLSTG NHS Trust have met with LB Merton Public Health to collate an action plan of existing work that is taking place across the system to increase breast cancer screening uptake in Merton. Actions outlined are at range of levels e.g. regional, south-west London and Merton place level with all actions supporting increased screening in Merton. The Merton Breast Cancer Screening Action Plan 2023-24 is attached to this report as Appendix 1.

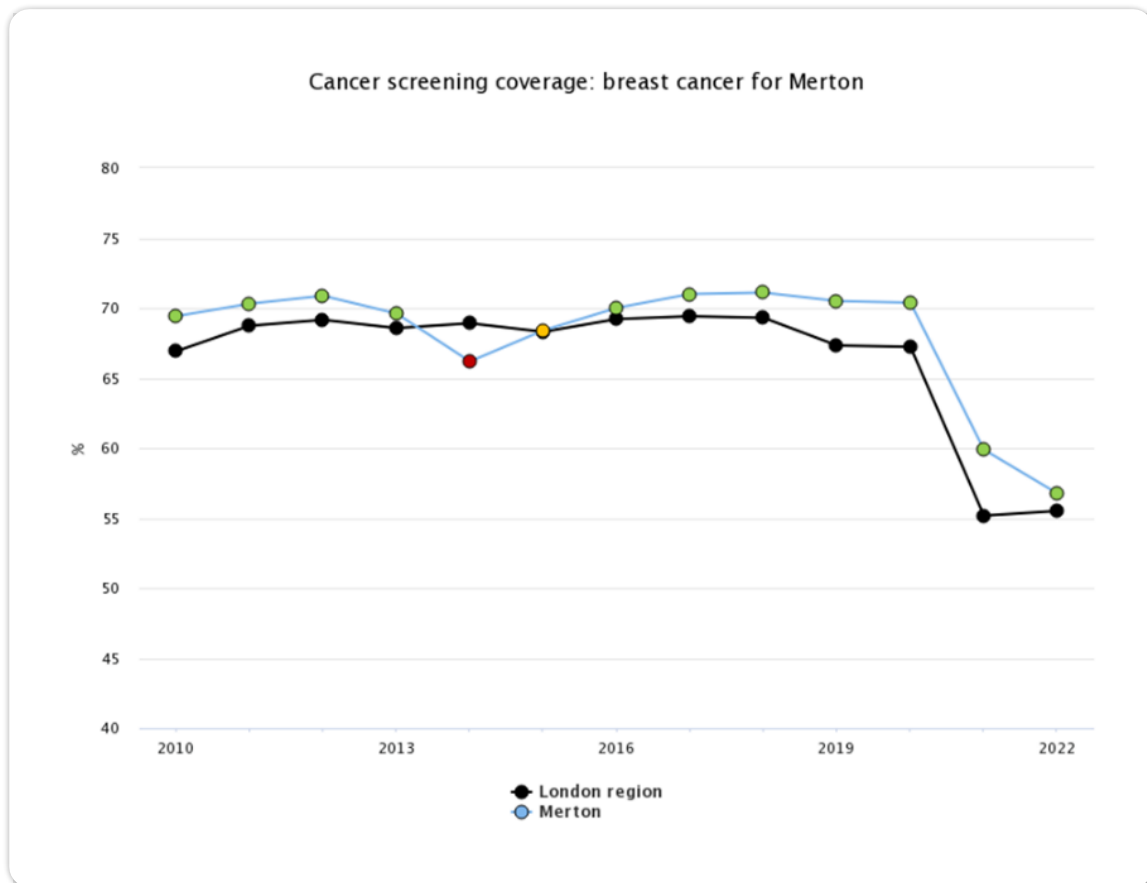


Figure 1 – Breast cancer coverage in Merton and London.

- 3.7. The Action Plan (see Appendix 1) sets out the approach to increasing the uptake of breast cancer screening including the groups with low uptake, which will complement the ask of NHSE to provide a breast cancer screening site in Merton.
- 3.8. The action plan has been grouped into key themes, as follows
- Data Intelligence
 - Service Delivery
 - Addressing barriers and promoting 'facilitators' around attending
 - Addressing health inequalities
 - Communication and Awareness Raising
 - Working across the Merton and wider healthcare system

Understanding the downturn in screening coverage

- 3.9. The COVID-19 pandemic led to all routine screening, including breast cancer screening, being paused in March 2020 with services opening up again for urgent screening cases in April 2020 and screening services back in operation more generally by June 2020ⁱ. COVID-19 restrictions lengthened appointment times, times between appointments and reduced capacity. Patients may have also postponed attending appointments voluntarily if they were shielding or otherwise concerned about COVID-19ⁱⁱ
- 3.10. The pandemic exacerbated existing historical issues leading to severe capacity constraints across services and led to a change in the model of appointments from a timed appointment invitation model to a model where patients had to book appointments themselves, which had a detrimental impact on uptake of screening.
- 3.11. In 2023, the breast cancer screening backlog has been cleared and breast cancer screening services have again adopted the timed appointment model, which is anticipated will increase uptake.

Health Inequalities

- 3.12. A number of groups face health inequalities in screening with lower uptake of breast cancer screening services seen in people with a learning disability, with a physical disability and severe mental illness. Other groups who may have lower uptake of screening include those living in more deprived areas, LGBTQ women and some trans men, ethnic minority groups and women who are homeless.
- 3.13. NHS London have developed a Health Inequalities Advisory Group for breast cancer screening aiming to increase uptake and address health inequalities through a range of activity e.g. running a social marketing campaign in mid-2023 focusing on ethnic minority groups, low uptake boroughs and women who have never attended an appointment. A pan-London Breast Cancer Screening Community of Practice, has also been developed which Merton Public Health participate in.

SWL Breast Screening sites

- 3.14. In March 2023, the Healthier Communities and Older People Overview and Scrutiny Panel, discussed the locations of sites for breast cancer screening in Southwest London (see figure 2). The panel noted that Merton is the only borough in Southwest London without a breast cancer screening site, which hinders uptake of breast cancer screening and increases health inequalities.



Figure 2 –Southwest London breast screening sites.

- 3.15. The placement of static and mobile sites is informed by the national service specification requirements including public transport links, car parking and staffing implications.
- 3.16. Cabinet is recommended to request that NHS England provides a breast cancer screening site in Merton as a matter of urgency. This would improve access to important services and contribute to reducing health inequalities.

4 CHILDHOOD IMMUNISATIONS

Governance

- 4.1. NHS England is responsible for commissioning national immunisation programmes in England. NHS England (NHSE) is accountable for ensuring that local providers of services deliver against the national service specifications and meet agreed population uptake and coverage levels. NHS England is also responsible for monitoring providers' performance and for supporting providers in delivering improvements in quality and changes in the programmes when required.
- 4.2. The UK Health Security Agency (UKHSA) undertakes surveillance of vaccine-preventable diseases and leads the response to outbreaks of vaccine preventable disease. They provide expert advice to NHSE immunisation teams in cases of immunisation incidents.
- 4.3. Integrated Care Systems (ICSs) have a duty of quality improvement, and this extends to primary medical care services. Integrated Care Boards (ICBs) provide opportunities for improved partnership working across NHSE (London), local authorities, voluntary and community sector partners to improve immunisation uptake and reach underserved areas and populations. NHSE (London), alongside ICBs, local authorities and others, will work to progress delegated commissioning for vaccination and screening. It is anticipated that the first wave of delegation of the commissioning of immunisation services will be in spring 2024.
- 4.4. Local authorities are responsible for providing oversight, scrutiny and challenge of the arrangements of NHS England, UKHSA and providers, and

play an important role in promoting immunisation messages through a range of channels including newsletters, social media and community champions.

Pre-school and adult vaccinations are usually delivered by GP surgeries. They are commissioned through the NHS GP contract. For 0-5 year olds they include:

- Diphtheria, Tetanus, Pertussis (whooping cough), Polio, Haemophilus influenza type b (given as the '6 in 1' DTaP/IPV/Hib/HepB vaccine)
- Pneumococcal disease, (PCV)
- Meningococcal group C disease (Men C)
- Meningococcal group B disease
- Measles, Mumps and Rubella (MMR)

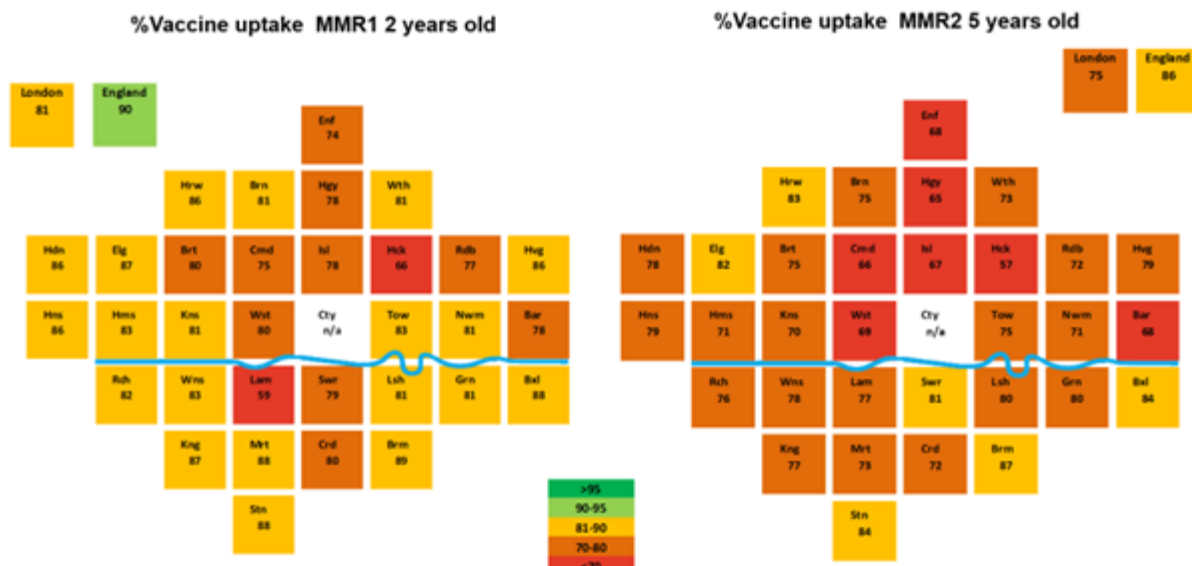
Performance

4.5. Historically and currently, London performs lower than the national (England) average across all the immunisation programmes. Uptake in London has fallen over the past 6 years and has fallen further than elsewhere in the country. Every borough in London is below the 95% WHO (World Health Organization) target. For some vaccines such as MMR, all London boroughs have an uptake below 90%. Two thirds of all measles cases in 2023 in England were in London.

London has a highly mobile population, a large migrant population, and areas of high deprivation. In London, vaccine uptake is lower in areas of higher deprivation compared with areas of low deprivation, across all ethnicities.

4.6. Latest annual data for 2021/22 shows Merton has a higher uptake of the 6 in 1 primary dose at 2 years (93%) than the London average (87%). Uptake for the booster dose of DTaP/IPV is the same in Merton as the London average of 73%. Uptake for MMR1 at 2 years is higher in Merton (87%) than the London average (81%). Uptake of MMR2 at 5 years in Merton (73%) is lower than the London average (75%).

4.7. Following a similar pattern to nationally and London, uptake of the primary 6 in 1 dose and MMR1 in Merton has decreased slightly over the last 3 years. The uptake for the booster dose of DTaP/IPV at 5 years in Merton has increased over the last 3 years to be similar to the London average. The uptake of MMR2 in Merton has increased over the last 5 years but remains below the London average. Further detail is set out in 14.3 in background papers.



Cover of vaccination evaluated rapidly (COVER) Programme 21-22. Date Jan 22- March 22

Key issues

4.8. Key challenges include:

- missed routine vaccinations during the Covid-19 pandemic
- vaccine fatigue following the COVID-19 pandemic
- increasing vaccine hesitancy
- reaching underserved communities
- accessibility to GP appointments
- accurate data recording by GP practices
- a highly mobile population meaning that GP practices need to upload vaccine histories of new arrivals and patients may have left the country but still be registered with the practice.

Actions, including timelines/milestones

4.9. Increasing vaccination uptake is complex and requires a suite of interventions. Work is ongoing at a national, regional, system, and place level to increase uptake in Merton.

4.10. A National Immunisation Strategy is currently being developed to both improve vaccination uptake and reduce inequalities and is expected by end June 2023.

4.11. The London Immunisation Board, the Mayor’s Health Board and SW London Integrated Care Board have all agreed 10 principles for London vaccination: focus on equity at all stages; building strength through diversity; commitment to community driven approaches; people at the centre of delivery; focus on childhood immunisation; immunisation as part of every conversation on health; working with one goal and voice; innovation and creativity; hyper-local approaches; evaluate and develop evidence about what works.

Action will now focus on developing this into a comprehensive delivery approach tailored to community needs and building on Borough-led health initiatives.

- 4.12. A three-year immunisations strategy for South-West London (SWL) is being developed with partners, which will include six borough-specific immunisation delivery plans. The aim of the strategy will be to support boroughs by providing a framework within which to operate, setting key priorities for SWL as well as at borough level based on local need. The strategy is expected to be published by July 2023.

The focus of the immunisation strategy for Merton will include improving uptake of preschool boosters and MMR and this is an opportunity to collaborate with all partners to increase vaccination coverage.

- 4.13. A recent event as part of World Immunisation Week engaged with partners across South-West London to focus on increasing MMR uptake, including how best to engage with communities and primary care systems. Learning will feed into the development of the forthcoming South-West London strategy.
- 4.14. Actions to improve uptake, as set out in the background paper on childhood immunisations at 15.3, include:
- Work with GP practices to improve data and coding, text messaging and vaccination in school holidays.
 - Insight led behaviour change campaigns using multiple channels to reach Merton residents, including social media, radio advertising, ad-vans, billboards, street ambassadors, community champions and on-street engagement teams.
 - Working with the voluntary sector, including a new small NHS grants programme for community organisations in Merton.
 - Information in a range of languages to support informed decision making in response to misinformation and feedback from residents.

5 REDUCING SELF-HARM

Governance

- 5.1. The Merton Child and Adolescent Mental Health (CAMHS) Partnership Board provides leadership for all mental health issues for young people, including self-harm, which is jointly chaired by the SWL NHS Integrated Care Board and LB Merton. In addition, a 'Thrive' steering group oversees the development of the I-Thrive model, which was adapted in Merton and is set out in the Merton CAMHS and Emotional Health Strategy 2020-23 (see 14.4 in background papers). In addition, addressing the needs of young people are also part of the Merton Suicide Prevention Framework (see 14.5 in background papers).
- 5.2. The I-Thrive Framework provides a mechanism to deliver a whole-system approach to improving outcomes and value for young people's mental health. The framework conceptualises need into five categories:
- Thriving
 - Getting advice
 - Getting help
 - Getting more help
 - Getting risk support

At its core I-Thrive has a shared decision-making ethos which will require considerable multi-agency and disciplinary change. It aims to talk about mental health and mental health support in a common language that everyone understands. The Framework is needs-led. This means that mental health needs are defined by children, young people and families alongside professionals through shared decision making.

Performance

Referrals to CAMHS 2019 – 2023 (Getting More Help service)

- 5.3. Referrals to CAMHS decreased during the COVID pandemic lockdowns and whilst there was a very high rate of referrals by the end of 2021/22, these have started to decrease over 2022/23, although there is variation by quarter. The initial hypotheses are that this is likely the result of the improvement and access in the 'Getting Help' domain and the increase in the Mental Health Support Teams in schools, which means that issues are being managed at an earlier stage. However, this will need to be monitored for a longer period before any clear conclusions can be reached.

CAMHS reason for referral

- 5.4. The Single Point of Access (SPA) captures the primary reason for referral as described on the referral. It is important therefore to note that the information presented below is not final diagnosis information.
- 5.5. The latest comparative data (Q1 & Q2 from 2021-22 and 2022-23) shows that in 2021-22 the three main reasons for referral to CAMHS were anxiety (25.2%), neurodevelopmental conditions, excluding autism (21.8%) and self-harm behaviours (11.3%).
- 5.6. However, 2022-23 has seen a change, 39.9 % of all referrals were in relation to neurodevelopmental conditions. The referrals for young people with self-harm behaviours reduced slightly and was fifth in the list of reasons for referrals, compared to third in 2021-22, accounting for 10% of all referrals received in this timeframe. An increase in awareness by professionals following a refreshed self-harm protocol may have contributed to this reduction.

Referrals to Off the Record (Getting Help Service)

- 5.7. The Off the Record service for children and young people provides counselling, a support phone line, on-line services and support for parents and carers with children and young people struggling with self-harm. It also provides Mental Health Support Teams in 17 schools across Merton, which deliver support for mild to moderate mental health issues, support staff in schools and develop a whole school approach to mental health.
- 5.8. In 2022/23 the service also saw a rise in referrals and over the year 38% of referrals were self-referrals, 22% came from CAMHS and 40% came from other professionals including schools. The high level of self-referrals is positive, as this is one of the aims of I-Thrive to improve ease of access to services to young people.
- 5.9. For Off the Record, referrals for anxiety remains the top presenting issue. A fifth of the referrals received are for young people presenting with either self-harm or suicidal ideation.

Key issues and actions

- 5.10. Self-harm has been a priority for the CAMHS Partnership Board and there are a number of key areas that have been identified locally in relation to self-harm among young people and acted upon:
- 5.11 As part of the Merton Working Group for Self-Harm and Suicidal Ideation including CAMHS, SWL ICB and Council staff, a [protocol for supporting young people who self-harm or experience suicidal ideation](#) has been updated and launched throughout the borough in July 2022. The protocol supports those working with children and young people in accessing the right services at the right time and includes practical guidance for professionals, as well as resources for sharing with young people and parents. It seeks to provide clear guidance on where to seek advice and steps to follow should a young person share that they have been self-harming or experiencing suicidal ideation. The protocol includes guidance, expectations and operational principles for partners' effective roles and responsibilities. The protocol has been very well received and may have impacted on a fall in self-referrals to the Single Point of Access (SPA) front door of CAMHS.
- 5.12 The Local Place SWL ICB CAMHS Commissioning team have invested in the Off the Record Service to expand referrals for young people up to 25 years with self-harm issues, and also have a specific focus on support for parents and carers with children struggling with self-harm, including offering groups and workshops.
- 5.13 In addition, there is a focus on training for Mental Health First Aid. Courses have trained up 16 staff as Mental Health First Aiders working with young people. This included a range of agencies working with young people including Spectra, Catch 22 and Tooting and Mitcham Football Club. Staff from schools included Raynes Park High, Wimbledon College, Ursuline Convent and Goringe also became MHFA's. Training has also been rolled out to young people in college and sixth form, with 72 young people trained in youth mental health awareness and a further 50 to be trained by June 2023.
- 5.14 Raising awareness of services to young people and families has also included the development of a mental health and wellbeing map and resources for professionals.
- 5.15 The Local Place I-Thrive steering group has set up a number of sub-groups to bring partners together to work towards seamless and complementary services for children and young people and engage partners, review progress and develop collaborative workplans, building on current progress.

6 ALTERNATIVE OPTIONS

- 6.1. None for the purpose of this report.

7 CONSULTATION UNDERTAKEN OR PROPOSED

- 7.1 Consultation will include work with voluntary sector organisations specialising in breast cancer and mental health for young people.

8 FINANCIAL, RESOURCE AND PROPERTY IMPLICATION

- 9.1 As set out in the report, roles and responsibilities, including funding requirements, are different for each programme.

- 9.2 This paper recommends that Cabinet agrees to continue to use Council channels to increase uptake of immunisations, screening and to promote services that support mental health of children and young people.

9 LEGAL AND STATUTORY IMPLICATIONS

- 9.1. There are no legal implications arising out of the report itself. However, if any commissioning by the Council arises out of the action plan, consideration will need be given as to the requirements of the Public Contracts Regulations 2015 and/or the Council's Contract Standing Orders.

10 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 10.1. Activity to raise awareness around breast cancer screening includes specific actions that will have positive impacts in terms of disability (learning disability, mental health, physical disability), ethnicity, LGBTQ+ and those living in areas of higher deprivation.

11 CRIME AND DISORDER IMPLICATIONS

- 11.1. N/A

12 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 12.1. N/A

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

- 13.1. Appendix One. Breast Cancer Screening Action Plan 2023-2024.

14 BACKGROUND PAPERS

- 14.1. [Strategic Theme Report 6 July.pdf \(merton.gov.uk\)](#)
- 14.2. [NHSL report to Healthier Communities and Older People Overview and Scrutiny Panel – March 2023.](#)
- 14.3. [Childhood Immunisations update, NHS England, May 2023](#)
- 14.4. Merton CAMHS and Emotional Health Strategy 2020-23
- 14.5. [Merton Suicide Prevention Framework](#)
- 14.6. MSCP - [protocol for supporting young people who self-harm or experience suicidal ideation](#)

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ii Performance Measures Across the Cancer Pathway: Key Stats [Internet]. Cancer Research; 2022 [as of 13 January 2022] [cited 28 September 2022]. Available from: https://www.cancerresearchuk.org/sites/default/files/cancerpathwaykeystats_jan22.pdf

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Appendix 1 - Merton Breast Cancer Screening Action Plan 2023-24

Priority Area	Activity	Timescale	Organisation	Lead Officer	Governance	
Data Intelligence	1	Commissioning of a population health screening dashboard in South-West London (SWL) – which will help identify cohorts of patients and their geographical location in SWL who have a lower screening rate.	Sept to Dec 2023	RM Partners	Managing Director	RM Partners Board
				SWL ICB		
	2	Regional analytics shared with Merton PH colleagues specifically looking at Merton LSAO data comparing uptake rates pre and post pandemic.	June 2023	NHSE London Region	Programme Director	Programme Improvement Board
	3	Work with Data Intelligence Team to explore priority areas to initially focus on for communications campaign in Merton, with a focus on equalities and uptake in more deprived areas.	June to Sept 2023	LB Merton	Senior Principal Public Health	Senior Leadership Team
Service Delivery	4	Working with the Royal Society of Public Health to deliver Health promotion training to new recruits specialising in Health Promotion embedded within breast screening services. The training presents a good opportunity to provide a standardised development offer across the region to ensure recruits are supported to maximise their impact and help improve uptake among underserved groups.	3 training cohorts to commence in June 23 Future dates tbc.	NHSE London Region	Deputy Programme Director	London Breast Screening Recovery Programme Improvement Board
	5	Support for screening health promotion specialists to share learning – and consider what might be delivered at scale across SWL or SWL/NWL.	March 24	RM Partners	Senior Delivery Manager	RM Partners Board
				SWLSTG	Clinical Nurse Specialist	
	6	Support 3.6 wte staff to access and complete the Associate Mammography Practitioner Apprenticeship course, a twelve-month (minimum) Level 4 training programme that allows , Mammography Associates to be qualified to work within the	1.6 completed to date in 2023, 1 in	SWLSTG	Superintendent Radiographer	London Breast Screening Improvement Board

Priority Area	Activity	Timescale	Organisation	Lead Officer	Governance
	breast imaging workforce undertaking routine two-view mammography in a hospital, mobile breast screening unit or medical centre	June 2023 and one starting in Oct 23			
Addressing barriers and promoting 'facilitators' around attending	7 NHSE London region are working with services to ensure there is equity of access in terms of a consistent web booking offer to clients across London.	April – June 23	NHSE London Region	Programme Director	Hub Transformation Meeting
	8 Use of text reminders by all services to reduce the number of missed appointments and increase uptake of screening Women invited for screening receive a text message reminder two weeks and 48 hours before their appointment.	Ongoing Ongoing	NHSE London region & The London Administrative Hub SWLSTG	Programme Director Programme Manager	Hub Transformation Meeting London Breast Screening Improvement Board
	9 Second Offer for screening as an open invitation, six weeks after initial appointment, for all women who do not attend (DNA).	Ongoing	SWLSTG	Programme Manager	London Breast Screening Improvement Board
	10 Pilot in collaboration with GP Practices where SWL Breast Screening Service provides details of women who Do No Attend (DNA) their timed appointment and do not respond to their reminder letter. The pilot would focus on SWL Breast Screening Service providing GPs in Merton lists of women who do not respond to their reminder. This allows the GPs to contact their patients to remind them to book an	Sept 2023 onwards	SWLSTG	Programme Manager	StG Internal Governance

Priority Area	Activity	Timescale	Organisation	Lead Officer	Governance
	appointment and to do some opportunistic awareness raising when women attend the GP practice for other reasons.				
Addressing Health Inequalities	11 Implementation of interventions based on lessons learned from breast screening inequalities pilots across London – from 2022 funding e.g. use of iPads for language translation, translation of invitation letters, easy read materials for women with Learning Disabilities etc.	Oct 23 to March 24	RM Partners	Senior Delivery Manager	RM Partners Board
	12 Multilingual call reminder service to patients who have not attended breast screening Continued by SWLSTG Breast Cancer Screening service	April – June 2023 July 2023 – March 24	RM Partners SWLSTG	Managing Director Programme Manager	RM Partners Board London Breast Screening Improvement Board
	13 Supporting women where English is not spoken at home to access breast cancer screening services. (Insights from the vaccination uptake programme have shown us that there are barriers to taking up offered health care if you speak another language at home (regardless of how well you speak English). Work includes: <ul style="list-style-type: none"> • Project to translate the invitation letters into the most commonly spoken languages in SW London and host them on the London Breast Screening Web Site. Invite letter will include a link to the translations. • Talking heads videos for Facebook page to deliver simple messages such as the benefits of early 	April 23 to March 24	SWLSTG	Clinical Nurse Specialist	London Breast Screening Improvement Board

Priority Area	Activity	Timescale	Organisation	Lead Officer	Governance
	<p>detection, screening is free and mammograms are carried out by women. Starring multicultural staff who we discovered speak over 20 different languages.</p>				
	<p>14 A programme of work across South-West London to support people living with a learning disability access breast cancer screening including:</p> <ul style="list-style-type: none"> • Carrying out an audit to ensure all women of screening age on a GP practice LD register are also captured by the breast screening programme. • Delivering teaching session for carers of women with a learning disability, focusing on specialist care homes to ensure they are able to advocate for the women they look after and encourage screening. • Investing in lead aprons at every screening site so that women can have a carer in the room during their procedure as a reasonable adjustment. • Sourcing easy read leaflets and letters and ensuring they are available on the website and used for assessment clinic appointments. • Publicising the video about women with learning disabilities and breast screening developed by NHS colleagues in Bath. 	April 23 to March 24	SWLSTG	Clinical Nurse Specialist	London Breast Screening Improvement Board

Priority Area	Activity	Timescale	Organisation	Lead Officer	Governance
	<ul style="list-style-type: none"> Following up individual women with a Learning Disability who have attended but not completed screening. Auditing women with LD who have never been screened to see if any reasonable adjustments might make a difference. 				
	<p>15 A programme of work to support people with a physical disability across South-West London to access breast cancer screening including:</p> <ul style="list-style-type: none"> Purchase specialist chairs for each site so that women with limited mobility can be seated while having a mammogram. Provide an advice service so women with a physical disability can discuss whether it will be possible to have a mammogram. Physical assessment to be available on request. Provide lead aprons at all sites so women can be supported by a carer as a reasonable adjustment. Develop a talking head video featuring a woman with a physical disability, discussing that if you are a wheelchair user it is still possible to have a mammogram. Use the trust based disability network to provide training for staff. 	April 23 to March 24	SWLSTG	Clinical Nurse Specialist	London Breast Screening Improvement Board
	<p>16 Support the LGBTQI+ community across South West London to access breast cancer screening including:</p> <ul style="list-style-type: none"> For trans people - publicising how breast screening can be accessed and who would benefit from breast screening. 	April 23 to March 24	SWLSTG	Clinical Nurse Specialist	London Breast Screening Improvement Board

Priority Area	Activity	Timescale	Organisation	Lead Officer	Governance
	<ul style="list-style-type: none"> Ensuring education of GP practices so that they can advise their patients appropriately and sensitively. Promoting the 'Best for My Chest' Campaign through the face book and Instagram pages and ensuring the associated video is available through the London website. Providing training for breast screening staff to maximise ways for people from the LGBTQI+ community to feel safe and welcomed in breast screening spaces. 				
	17 Support women who are homeless to access breast cancer screening across South West London including: <ul style="list-style-type: none"> Make connections with the local hospital based homelessness teams. Make connections with local homelessness charities. Develop flyer about screening for those who may be interested and for homelessness teams to have to hand for suitable clients. Provide updates for those who work with homeless people who would be eligible for screening. 	April 23 to March 24	SWLSTG	Clinical Nurse Specialist	London Breast Screening Improvement Board
	18 Work with SWL ICB Lead, other SWL Learning Disability Teams and local screening services to better align support work, so that residents with learning disabilities are best supported to understand the importance of and attend appointments	July 2023 – March 24	LB Merton	Senior Community Learning Disability Nurse	Senior Leadership Team
Communication & Awareness Raising	19 Development of a comms and engagement strategy aimed at reducing health inequalities in screening and presentation at primary care when symptomatic – and delivery of comms and engagement activities [aligned with regional or national campaigns]. These campaigns are likely to address the	Plan established end of June 23 with	RM Partners	Managing Director	RM Partners Board

Priority Area	Activity	Timescale	Organisation	Lead Officer	Governance
	barriers related to language, sexuality/gender, learning disability.	delivery from July 23 to March 24.			
	20 Social marketing campaign with the overall aim to universally increase the uptake of and reduce inequalities in breast screening among Londoners, with a focus on first time invitees (49-56 year olds); postcode areas in London which have the lowest uptake rates and within deprived communities and/or areas with a high population density of ethnic minority groups.	July 23 to end of March 24	NHSE London Region	Consultant in Public Health and Health Inequalities Lead	London Breast Screening Recovery Programme Improvement Board
	21 Develop detailed communication plan to promote NHS London campaign in Merton including <ul style="list-style-type: none"> Ethnic minority community organisations Younger women e.g. workplaces, Working with comms colleagues to target residents living in more deprived areas Awareness raising with groups facing health inequalities around screening such as people with learning disabilities, severe mental illness and LGBTQ+ residents. 	July to Nov 2023	LB Merton	Senior Principal Public Health	Senior Leadership Team
	22 Work on raising awareness on the importance of breast cancer screening through a Merton Community Champion Webinars with SWL Breast Cancer Screening Services	Oct to Nov 2023	SWLSTG LB Merton	Clinical Nurse Specialist Senior Principal Public Health	Senior Leadership Team

Priority Area	Activity	Timescale	Organisation	Lead Officer	Governance
Working across the Merton and wider healthcare system	23 Community of Practice to bring together London breast screening partners to drive change to help increase breast screening uptake, reduce health inequalities and improve cross-sector integration.	Ongoing (quarterly meetings)	NHSE London Region	Deputy Programme Director	London Breast Screening Recovery Programme Improvement Board
	24 Ongoing support for public health teams across SWL in sharing learning and planning uptake improvement interventions	April 23 to March 24	RM Partners LB Merton	Senior Delivery Manager Senior Principal Public Health	RM Partners Board
	25 Primary care engagement – Working with the London Administrative hub to develop comprehensive primary care pack with signposting information on referral pathways, breast screening service contact details & good practice on how primary care can effectively engage with health improvement in Breast Screening Services.	April 23 to March 24	NHSE London Region	Programme Director	London Breast Screening Recovery Programme Improvement Board
	26 Supporting the development and progress of the Merton Action Plan including meeting 3 times per year to update on progress.	April 23 to March 24	LB Merton NHSE London Region SWL ICB RM Partners SWLSTG	Senior Principal Public Health	Senior Leadership Team

Committee: Cabinet

Date: 19th June

Wards: All

Subject: Community Opportunities Framework for People with a Learning Disability

Lead officer: John Morgan; Executive Director for Adult Social Care, Integrated Care and Public Health

Lead member: Cllr Peter McCabe, Cabinet Member for Social Care and Health

Contact officer: Godfrey Luggya, Commissioning Manager, Adult Social Care, Integrated Care and Public Health

Recommendations:

- A. That Cabinet approves commissioning of a Community Opportunities Framework for provision of community-based activities in Merton for people with a Learning Disability and/or Autism; Mental Health needs; Physical Disabilities; and People whose behaviours may challenge for an initial term of 5 years with an option to extend for a further period of up to two years at the Council's sole discretion.
- B. That Cabinet notes that the procurement route is a framework with an indicative initial annual value of £800,000 per annum and a total framework value over the potential full term of 7 years estimated at £ 5,956,758 including inflationary uplift; the tender opportunity will be advertised on Find a Tender, Contracts Finder, and the Council's e-tendering system (London Tenders Portal). The process will widen competition and ensure the Council gets best value for money for this service.
- C. That Cabinet delegates authority to the Executive Director for Adult Social Care, Integrated Care and Public Health, in consultation with the Cabinet Member for Social Care and Health, the award of contracts to the successful bidders at the conclusion of the tender process and on occasions when the framework is reopened to admit more providers on specific lots or varied to include additional Lots as may be required to continue meeting residents' needs.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report sets out the planned approach to securing provision of day care and support services for all vulnerable adults with learning disabilities, mental health needs, physical disabilities, autism and people whose behaviours may challenge, who meet the Council's assessment criteria. The aim of this provision is to continue improving and transforming Merton's day care services' delivery.
- 1.2. The services will be designed to enable customers to live as independently and safely as possible in the community to improve their overall wellbeing.
- 1.3. This report reflects the Council's commitment to ensuring that wider Adult Social Care reforms provide for improvements in day care provision across Merton while building local care market capacity to accommodate an increase in service users' community participation. This will involve building a partnership that enables the Council to devolve greater responsibility to Framework Providers to support our residents achieve their individual outcomes

2 PROJECT DESCRIPTION

- 2.1. The Council is obliged to fulfil its duties under the Care Act particularly those set out in Clause 1 (Promoting individual wellbeing), Clause 2 (Preventing needs for care and support) and Clause 5 (Promoting diversity and quality in provision of services). All people with learning disabilities, including those with more complex needs such as those with challenging behaviour or profound and multiple learning disabilities should be able to access the support they need at the time when they need it. There is a strengthened focus for the Council to redesign services that better meet users' needs and aspirations in line with changing circumstances as highlighted in Community and Housing Recovery and Reset Programme that was established in September 2020 to support the Council's recovery from the pandemic (Covid outbreak) and to deliver on recommendations from the Local Government Association Peer Challenge in line with borough wide Recovery and Modernisation programme.
- 2.2. Transforming the learning disability in Merton offer remains a key objective of the department. Implementing a community-based model of day activity and support that not only focuses on the traditional models of day services, but also incorporates routes into employment, active and independent travel and access to adult education, learning and skills training is central to this transformation.

- 2.3. The community-based model prioritises accessible, multi-purpose community ‘safe spaces’ that act as the access point to certain day opportunities or as a springboard to local community activities and opportunities. A very diverse range of activities is described under the term “community opportunities”. This includes delivering community-based activities, vocational training services which includes travel training and support to access and maintain employment.
- 2.4. In December 2020, Merton commissioned Community Catalysts to undertake an engagement programme with people who have learning disabilities, their families, carers, staff and professionals. In May 2021, the first stage of the process, the Big Conversation was launched. This was followed by a report, The Big Explore, which made it clear that whilst Merton’s traditional day services are regarded as good quality and that some people need a building-based provision, many residents expressed a lot of interest for more choice of community-based services. These may include employment, volunteering, social enterprise activities, opportunities to meet and make friends, use local leisure and recreational facilities and learning and development to build life skills such as preparing own meals and travel training.
- 2.5. In order to respond to our residents’ needs as expressed in ‘The Big Conversation & Big Explore’, creating a Community Opportunities Framework is one of our proposals in our approach to modernising Learning Disability Day Opportunities services to increase community participation.
- 2.6. The creation of a Community Opportunities Framework would enable the Council to establish a consistent approach to commissioning, quality assurance and pricing of community-based activities by working closely with pre-approved providers to meet service users’ needs. The framework will enhance opportunities available for people living with a learning disability or transitioning from the Children’s service to Adult Social Care.

3 KEY OBJECTIVES OF A COMMUNITY OPPORTUNITIES FRAMEWORK

- 3.1 A Community Opportunities framework will encourage development of high quality community based day activities for people with learning disabilities, mental health and physical disabilities hence increasing choice of community based activities’ provision for our residents. By developing a greater range of options around day opportunities, we will be able to offer viable alternatives to traditional day services, which will provide a more person-centred and flexible approach. Our model for day opportunities, however, continues to recognise the need for high quality, building based services to remain part of the provision mix.

- 3.2 Enable the Council to attract a much broader range of quality providers more able to provide a wider variety of relevant community-based support activities and specialist services, and who can offer more person-centred support to people with a variety of complex needs. This will allow the Council to fulfil its obligations under the Care Act 2014, to build sustainable and effective care markets while expanding capacity to support young people coming through transitions and those people who may opt to move away either partially or fully from buildings based to community day services.
- 3.3 Enable the development of a more structured day services provision across Merton, centred on the achievement of individual outcomes and improvements in the wellbeing of residents whereby providers can effectively be held to account for their performance.
- 3.4 To create an environment and culture of transparency, where people who use day services, their families, and those who provide services have clarity about the Council's expectations regarding quality, value for money and outcomes for day opportunities commissioned for people with a learning disability, autism, mental health and physical disabilities.

4 CURRENT ARRANGEMENTS AND DELIVERY MODEL

- 4.1 There are three day centres in Merton which provide day opportunities services for Merton's Learning Disability customers: All Saints Centre, Leyton Road Centre, and Jan Malinowski Centre (JMC). In addition, Merton also provides day opportunities services by private providers, these providers are situated both in and out of the Borough.

All Saints Centre is situated in South Wimbledon and provides day services for both learning disability customers and physical disability customers. The focus of this procurement is on learning disability day services as physical disabilities customers are not likely to access this service.

Leyton Road Centre is situated in South Wimbledon and provides day services for learning disability customers.

Jan Malinowski Centre (JMC) is situated in Mitcham and provides day services for learning disability customers, including customers with high support needs. JMC is divided into 3 areas of support:

- a) Special Care – For customers with complex needs who need support in most aspects of their personal care including the use of specialist

bathrooms often requiring more than one member of staff, medication and feeding.

- b) Willows –For customers who require intensive support due to mild to moderate behavioural needs and sometimes display challenging behaviours.
- c) Watercress – For customers who require mild to moderate support in some aspects of their personal care

4.2 In January 2022, there were a total of 214 customers accessing day services either directly from the Council’s inhouse day centre services or via private providers.

4.3 Before the pandemic lockdowns there were a total of 190 customers attending JMC, Leyton Road and All Saints Day Centres (Physical Disabilities and Learning Disabilities). As at 12/01/23, there were a total of 156 customers attending our inhouse day centre services. Annual cost for 2022/23 was £2,212,006 pa (All Saints - £516,810; Leyton Road - £467,623; and JMC - £1,227,573). The above figures include a transport cost of £476,256pa. This gives an average cost per customer of £14,180 per year.

4.4 In 2021/22, a total of 58 customers accessed 21 private day opportunities services within or outside the borough at an annual cost of £509,815 pa. In 2022/23, there were 63 service users accessing 22 private day opportunities services within or outside the borough at a cost of £645,490pa inclusive of transport costs. This gives an average cost per customer of £10,246 per year.

4.5 External costs, based on current customers could increase to £800,000pa including inflation and implementation of London Living Wage rates under the proposed framework agreement. Table 1 below highlights the Council’s annual expenditure on private day opportunities providers.

Table 1: Annual expenditure on private day opportunities providers

Year	2019/20	2020/21	2021/22	2022/23
No. of private providers	16	20	21	22
No. of service users	46	50	58	63
Annual expenditure	370,815	419,705	509,815	645,490

(£)				
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4.6 The vast majority of services for people with a learning disability offered under private provision are spot purchased. Spot purchasing provides a weaker contractual relationship with the provider and the Council does not have explicit quality standards in place in these arrangements neither would the Council have a say in ensuring that fair prices are charged.

4.7 Day opportunities providers are not regulated by the Care Quality Commission in England. This means that activities that would normally be regulated in other care environments (such as personal care) are carried out with little or no external oversight or registration requirements.

5 PROPOSED NEW MODEL

5.1 In line with the Council's Contract Standing Order requirements to set up a Framework Agreement, permission was sought by ASC Commissioning Team from the Head of Commercial Services in alliance with Head of Law, Procurement and Information Governance. On 25th April 2023, both parties with support from Category Manager (People), Principal Lawyer (SLLP) and Commissioning Manager (ASC) recommended setting up a Community Opportunities Framework for People with a Learning Disability.

5.2 Our new model recognises that individuals want to access services through a blended model. That is, developing a Community Opportunities Framework to provide a wider choice of community-based activities in addition to traditional day centre services which may be developed into Community hubs where activities and training can be provided on a flexible basis in addition to providing core support for people with complex needs.

5.3 A blended approach can be achieved through direct payments, where individuals or groups of service users can choose where to spend their support money within their care packages. It is intended to improve and extend the availability and usability of direct payments to enable individuals with a learning disability and / or autism to access individualised support packages.

5.5 Community hubs would predominantly support individuals with moderate to profound complex needs requiring varying levels of personal care related to continence, mobility and sensory needs. People with complex needs are likely to require longer term activities to remain healthy, happy and stable

within building-based day services. However, they would also have an opportunity to tap into community-based specialist services offered by approved providers on Community Opportunities Framework. Community hubs would also offer activities and training on a sessional basis to other customers with mild to moderate needs.

- 5.6 People with mild to moderate needs have expressed interest to experience a wider range of community-based day opportunities to enable them to learn and develop and build on their existing social skills, daily living skills, confidence and self-esteem and build an inclusive life full of positive roles and relationships. This implies that people with less complex needs would have the opportunity to access more community-based activities via approved providers on the Community opportunities framework and reduce their day centre attendance. Individuals will be supported to create and follow a clear pathway that will enable them to access and autonomously move into mainstream social, leisure, educational activities and other opportunities in the wider community. It is envisaged that individuals following this pathway would be supported to progressively reduce their package of care and any additional support elements as skills are acquired and outcomes achieved.
- 5.7 Community Opportunities Framework will encourage use of new technology and ensure the development of digital apps and the digital offer will be an important element of the new Framework.
- 5.8 The Framework will address inclusivity for all and will provide for cultural difference and choice. The framework will be open to all providers within and outside the borough offering community-based day services for people with a learning disability and/or autism aged between 18 and 65 years.
- 5.9 Providers appointed to the Framework will have the opportunity to provide existing services as well as develop new offers for groups and / or individuals. The new framework is intended to ensure that a focus on person centred support is maintained throughout provision.
- 5.10 Providers appointed to the Framework may be engaged to provide services from their own buildings or properties they rent from private landlords within Merton or liaise with the Council to arrange accessing Council buildings if available including community hubs established from existing day services. The Council will be able to arrange private providers' access to the Council's buildings if available and depending on whether access will be on ad hoc basis, then they would liaise directly with the building managers. However, if a private provider would wish to arrange exclusive access to a Council

building on a long term basis, they would liaise with Environment and Regeneration Department to negotiate terms and issue a lease agreement.

5.11 The Council will have an opportunity to vet all private providers prior to joining the framework and continue to monitor their performance to ensure continued delivery of high-quality services at a fair price.

5.12 Community Opportunities Framework will be commissioned under 3 Lots as follows:-

(i) Support to access and attend community activities.

(ii) Access to life skills development and training e.g. travel training, money management.

(iii) Access to employment and maintaining employment i.e., supported placements.

6 KEY FEATURES OF THE PROPOSED DAY OPPORTUNITIES MODEL

6.1 The Adult Social Care commissioning team is proposing to commission the Council's community-based day opportunities requirements while existing day centres may potentially develop into Community hubs where activities and training can be provided on a flexible basis in addition to providing core support for people with complex needs.

6.2 The Adult Social Care Commissioning team is seeking to implement a consistent approach to the commissioning, quality assurance and pricing of community based day opportunities services by introducing a Community Opportunities framework from which a range of pre-approved providers can be commissioned to deliver community based services to meet our customer's needs.

6.3 Customers within the scope of this project include Adults diagnosed with a learning disability, who have additional needs arising from multiple disabilities, which may include Autistic Spectrum Disorder, complex health needs, and/or physical disabilities or mental health needs.

6.4 All new community-based day care requirements will be channelled through the framework with existing spot and block private day opportunities providers encouraged to join, otherwise their existing day care packages will be subject to be commissioned to pre-approved framework providers when ongoing arrangements expire. Where service users express a wish to move

or would benefit from this proposed framework, they will be supported to do so.

- 6.5 The procurement opportunity will be open to new day opportunities providers in the market; small and micro local enterprises; and voluntary and community sector organisations within and outside the borough in recognition of the very important role they play in our local economy.
- 6.6 Providers will be ranked based on tender score for quality and price, but individual choice will override rankings to ensure compliance with the Care Act.
- 6.7 During the term of the Community Opportunities Framework, block contracts where applicable may also be called off subject to a mini-competition process. In practice, this means the council can put in place provision for small and large groups of people for a specific time period and introduce further price and quality competition by asking providers on the framework to bid for this work.
- 6.8 A direct award of a contract without conducting a mini competition for individual customer packages would be possible where a customer clearly expresses a preference for a particular pre-approved provider on the framework who would meet their needs hence promoting customer choice.
- 6.9 No form of exclusivity or volume guarantee or obligation to make any referrals will be granted by the Council to the Framework Providers for Services. The Council will only pay for services commissioned and work completed under the framework agreement.
- 6.10 There is also potential for savings to be realised from this model as the number of service users attending community-based day services increase and attendance in traditional day centre services (which will be referred to as Community Hubs) decrease.
- 6.11 The Community Opportunities Framework will be governed and monitored with support of the existing reference group, or a purpose designed group which will include service users, carers, and staff.

7 ALTERNATIVE OPTIONS

OPTIONS	ADVANTAGES	DISADVANTAGES
<p>1. Continue with current arrangements (i.e predominantly day centre based day opportunities with limited community activities)</p>	<p>Continue to meet basic day opportunities requirements of our customers centred around our 3 traditional day centres.</p>	<p>Providing services based around traditional day centres, will not be catering for those who expressed a preference for an increase in community based day activities in the recent consultation undertaken.</p> <p>The number of private day opportunities providers will continue to shrink denying our residents a wider range of choice for community based services.</p> <p>The Council will continue to have limited influence on controlling the quality of day services delivered to our customers. Consequently, complacency on the provider side can lead to quality issues and inefficiencies.</p> <p>Almost impossible to exploit developmental opportunities to improve service provision if the Council does not have direct influence on market.</p>

<p>2. Establish a Community Opportunities Framework.</p>	<p>Offers flexibility over the term of the Community Opportunities Framework whilst managing inefficiencies in spend and processes.</p> <p>It is the most future proof approach as it can be reopened to meet market demands at any time in response to any changes in the Social Care market with minimal administration work involved.</p> <p>Enables the Council to re-position its role within Merton as a strategic purchaser of day opportunities services while building a stronger relationship with providers, customers and other stakeholders.</p> <p>The Council would attract a pool of providers to increase and develop new capacity that reflects differing needs through healthy competition. Ensures competitive pricing and quality assurance.</p> <p>Reduces the requirement for repetitive tendering thus saving time and administrative cost as contracts can be awarded via mini competition without the need for a full tendering process.</p> <p>Provides opportunities for the Council to work with a smaller pool of providers on developmental aspects of the service where necessary.</p>	<p>It takes long to set up a Community Opportunities Framework as it involves a lot of consultation with different stakeholder groups.</p>
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<p>3. Establish a DPS (Dynamic Purchasing System)</p>	<p>The selection stage is potentially less onerous, providers only have to complete this stage on entry to the DPS (and thereafter periodically reconfirm status) instead of having to do so separately for all procurements.</p> <p>As the DPS is open to suppliers throughout its duration, new start-ups, or businesses that wish to expand into new public sector markets, will not be frozen out of the market.</p> <p>The division of DPS into categories by complexity of requirements, and size of contracts could be arranged to ensure that niche suppliers and SMEs have maximum opportunity to compete.</p>	<p>Contract management would be challenging due to potentially large number of providers that would be involved and onerous ongoing administrative work involved.</p> <p>The cost for the system might erase any potential savings.</p> <p>No direct award of contracts is permissible hence less flexible in terms of choice for customers.</p> <p>May not be suitable in circumstances where the authority is required to respond urgently to specific complex needs due to onerous administrative work involved.</p>
<p>4. Joint venture with neighbouring LAs</p>	<p>Pooling resources and expertise with neighbouring local authorities to joint commission learning disabilities day care services can help to reduce costs and increase efficiencies.</p> <p>Where two or more local authorities are involved in joint commissioning learning disabilities day care</p>	<p>When we enquired from our neighbouring local authorities about possibilities of joint commissioning learning disabilities day care services, none had a similar vision to ours. One neighbouring borough has implemented a similar approach but for accommodation based services.</p> <p>Joint commissioning learning disabilities day care services would require a lot of decision-making and coordination between multiple local authorities, which</p>

	<p>services, they would share the risks involved. This would help to mitigate risks for each individual local authority.</p> <p>Joint commissioning learning disabilities day care services could help to increase capacity of local authorities by sharing resources, knowledge, and expertise.</p>	<p>can be time consuming and significantly delay the project.</p> <p>When different local authorities are involved, it can be challenging to agree on goals and priorities as each local authority may have different objectives, priorities, and values which can create conflicts or difficulties in decision-making.</p>
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7.1 Recommended option

Option 2: Establish a Community Opportunities framework. This is the recommended option as it gives the Council the most flexibility over the term of the Framework whilst managing efficiencies in spend and processes. It is the most future proof approach as it can be reopened to meet market demands at any time in response to any changes in the Social Care market during its 7-year term with minimal administrative work involved. It is expected that a tender exercise will generate several competitive bids from local day opportunities providers who can deliver the required quality standards given the significant shift in the Council's approach to delivering community based services across Merton with great potential to shape the market in response to our customers' request to offer more choice of community based activities.

8 CONSULTATION UNDERTAKEN OR PROPOSED

8.1 An independent consultation of our day opportunities (Big Conversation) as part of the Recovery and Reset Programme, conducted by Community Catalysts in November 2021, covered 381 people. 70% of participants had a learning disability and/or autism. Community Catalysts analysed the data and highlighted the current situation under the following themes.

- a) Day centres are very good for some people but not for others
- b) Services and supports need to be better and different for young and for people with autism
- c) People who are not eligible for Council funded day services still need help and information – if they don't get this it could have a negative impact on them, their family and public services in the future
- d) The Council has a lot of resource tied up in buildings and group settings – rather than community and person-centred support for people
- e) Current systems are not always 'strengths based' – they can channel people towards becoming a user of day (and other) services
- f) Council staff and managers already have a strong insight into the challenges and opportunities and are acting on this insight

8.2 Following the consultation, the following recommendations were proposed for consideration:-

- a) Develop connected ‘pathways’ that lead to different options e.g., employment, internships, entrepreneur, volunteer, day and other support services
- b) Develop ways for people to navigate the system/pathways and get the support they need to do what they want
- c) Link packages of funded support to the pathways – including Direct Payment.
- d) Marketplace development - services and support people want are available to them
- e) Make better use of Council and other buildings and facilities
- f) Support day centres to become community hubs – with skilled staff. Use in different ways that link to the pathways
- g) Offer universal and other local places the support they need to be more inclusive
- h) Find better ways to measure and value outcomes
- i) Better connect all the great work already underway with the daytime agenda

8.3 A stakeholder reference group has been in place since the commissioning of Community Catalysts. This group helped design the consultation questionnaires and methodology. They received the Big Conversation and Big Explore findings and have been involved in the preparation for this procurement exercise. Moving forward, we are committed to continuing to use the stakeholder reference group as the engagement forum on key aspects of the work including finalising the specifications, constructing the evaluation methodologies and quality questions and stakeholder evaluation of these questions, as part of the overall evaluation panel process.

9 TIMETABLE

Milestone	Target Date
Presentation of Gateway 1 report to DPG	03/05/23
Presentation of Gateway 1 report to Procurement Board	16/05/23

Place notice on Forward Plan for authorisation to tender	17/05/23
Market Engagement Events (one Face to Face -17 th May 2023; and two online events 23 rd May and 25 th May)	26/05/23
Presentation of Gateway 1 report to LSG	05/06/23
Presentation of Gateway 1 report to Cabinet	19/06/23
Democratic Services (including 5 days call in period)	29/06/23
Prepare tender documents (including specification, Method Statements, Evaluation Matrix, Form of Tender, Pricing Schedule, terms and conditions)	30/06/23
Invite tenderers	03/07/23 – 04/08/23
Milestone	Target Date
Evaluation of submissions	15/09/23
Presentation of Gateway 2 Report to DPG	04/10/23
Procurement Board Meeting	17/10/23
Submit Contract Award/ Gateway 2 Report to Director for sign off	18/10/23 – 25/10/23
Notify bidders of outcome	26/10/23
Standstill period	27/10/23 – 06/11/23
Contracts award	07/11/23
Contract Start Date	13/11/23

10.1. Estimated value of the new framework over 7 years is £ 5,956,758 (Standard framework value £5,600,000 and Inflationary uplift from year 2 to year 7 - £356,758).

Value of current outsourced day care services for people with a learning disability is £800,000 if London Living Wage is applied. However, it is estimated that average inflation will be 7% per annum from year 2 to year 7 of the contract. Please see Table 2 below for more details of costings:-

Table 2: Breakdown of the value of the outsourced service to be recommissioned

	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)	Year 7 (£)	Total
Standard annual service value	800,000	800,000	800,000	800,000	800,000	800,000	800,000	5,600,000
Inflationary uplift (7%)		56,000	59,920	60,194	60,214	60,215	60,215	356,758
Annual service Value including inflationary uplift	800,000	856,000	859,920	860,194	860,214	860,215	860,215	5,956,758
Cumulative value of the service	800,000	1,656,000	2,515,920	3,376,114	4,236,328	5,096,543	5,956,758	

10.2. The current service is funded from Adult Social Care budgets and aligned to the Learning Disability Team placements budget. The procurement requirement and its associated delivery will be funded in the same way. Annual inflationary uplift given to provider will be dependent on uplift received by the department and all uplift requested by providers will be settled after negotiations and authorisation from the director/assistant director.

11 LEGAL AND STATUTORY IMPLICATIONS

11.1 As per the main body of this report, the procurement strategy is to set up a Pseudo Framework Agreement from which the Council may call-off services. The suggestion is that since the services to be called off fall under the light touch regime, Regulation 33 (PCR 2015) relating to Framework Agreements

does not apply. The Council therefore proposes to deviate from the standard procurement procedures and design its own procedures pursuant to Regulation 76 (1 & 2) of PCR 2015.

- 11.2 Under the Public Contracts Regulations (PCR 2015), there is no prescribed procedure for the procurement of light touch services. Contracting Authorities have flexibility to use any process or procedure they choose to run the procurement for light touch services. Where the value of the services exceeds the published threshold for light touch services (such as in the present case), any procedure designed and used must be in compliance with the fundamental treaty principles and the mandatory requirements set out in the PCR 2015 summarised in the main body of this report.
- 11.3 The procurement strategy set out in the main body of this report is compliant with PCR 2015 therefore approval may be given for officers to proceed in the manner proposed.
- 11.4 It is important that a proper audit trail is maintained throughout the procurement process to evidence the process followed and how decisions were arrived at.
- 11.5 The Council may open the Pseudo Framework to new providers during the lifetime of the arrangement (as suggested in the main body of the report) provided that the original Invitation to Tender (ITT) documents are clear on how this will be done and the process for admitting new joiners is fair and transparent.
- 11.6 The recommendation that Cabinet delegates authority to the Executive Director for Adult Social Care, Integrated Care and Public Health, in consultation with the Cabinet Member for Social Care and Health in relation to the award of contracts to the successful bidders is permissible under section 9E of the Local Government Act 2000.

12 CRIME AND DISORDER IMPLICATIONS

- 12.1. There are no specific implications that would affect this tender.

13 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 13.1. All organisations to be approved on the framework will have to confirm that they have a Health and Safety policy that compliments the Council's corporate procedures for effective health and safety and risk management. Tender documentation to be submitted by all bidders will be assessed

against a criteria that will be developed by the Council to ensure that any bidder who is awarded a contract complies with all statutory regulations in all matters related to the day care service delivery for vulnerable adults.

- 13.2. The Council will ensure compliance to the contract specification and contract standards through the use of a robust monitoring procedure that will be developed for this service. This will use at least the following methods:
- 13.3. The Provider will be responsible for managing its performance and for collating all performance data at the required level of frequency as set out in the service specification, which will form part of any monitoring requirements.
- 13.4. Where a contract is awarded to a Framework Provider, they must submit the required contract monitoring data (Key Performance Indicators) on a quarterly basis. The quarterly monitoring report will be followed up by a service review meeting, initially on a quarterly basis, but which may also be held at other times as appropriate and may be initiated by either the commissioners or the provider. If a provider is failing to deliver the service as set out in the contract, the Contract Monitoring Officer may choose to meet with the provider more frequently and the provider will be required to facilitate this.
- 13.5. The Council will carry out quarterly and annual contract management meetings. Contract monitoring may involve analysing Key Performance Indicators and documentation relating to customers and other stakeholders, staff files, insurance documents and any other relevant paperwork.
- 13.6. The Provider is required to capture data that evidence that the service is delivered in a way that reflects the diversity of the London Borough of Merton's population, and the service is accessible to all who need it.
- 13.7. The Provider shall inform the Council when any serious service complaint arises or in the event of any serious incident which may impact on the service. Complaint investigation responses from the provider will be reviewed at contract monitoring meetings.
- 13.8. The provider must ensure that the views of individuals and stakeholders are routinely sought, collated, evaluated and utilised to support service delivery / development. The outcomes of such feedback must be routinely made available to the Council.

13.9. The Council will work with the Provider to develop performance levels that challenge but are achievable and measurable from time to time as may be required to effectively manage performance.

14 BACKGROUND PAPERS

14.1. This report should be read in conjunction with the following papers:

- The Council's Contract Standing Orders.
- The Council's Procurement Strategy.

15 APPENDICES

15.1. None

Committee: Cabinet

Date: 19 June 2023

Wards: All

Subject: Award of contract for the Disabled Facilities Grant Funded Adaptations Service

Lead officer: Lucy Owen, Executive Director, Housing & Sustainable Development; John Morgan, Executive Director of Adult Social Care, Integrated Care & Public Health

Lead member: Councillor Andrew Judge, Cabinet Member for Housing and Sustainable Development; Peter McCabe, Cabinet Member for Health and Social Care

Contact officer: Elliot Brunton, Interim Head of Housing Needs & Strategy

Exempt or confidential report

The following paragraph of Part 4b Section 10 of the constitution applies in respect of information within this appendix and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the appendix.

Recommendations:

- A. The Council approve the award to Bidder A (as detailed in the Confidential Appendix to this report) a contract for provision of the Disabled Facilities Grant (DFG) Funded Adaptations Service for a period of 3 years from 4th September 2023, with an option to extend for up to two further years at the discretion of the Council.
 - B. In accordance with Contract Standing Orders (CSO 24.3) that authority be delegated to the Executive Director of Housing & Sustainable Development to exercise, in consultation with the Cabinet Member for Housing and Sustainable Development, the Council's option to grant one or more extensions of the contract term for any period up to two further years beyond the expiry of the initial contract term on 3rd September 2026.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to seek the approval of Cabinet for the award of the contract for the provision of the Disabled Facilities Grant (DFG) Funded Adaptations Service to Contractor A following a single stage tender process.
- 1.2. This new contract will be for an initial period of 3 years from 4th September 2023, with an option at the discretion of the Council to extend the term for a further period or periods of any duration up to a maximum two years in total.
- 1.3. The bid sum relates to the contractor operating the service on behalf of the Council, in effect operating as the Council's Home Improvement Agency. The bid excludes the cost of the annual disabled adaptations works which is also paid for out of the annual allocation from the Department for Levelling Up, Housing and Communities (DLUHC), currently, around £1.4m annually.

2 DETAILS

- 2.1. Borough and District Councils have a statutory responsibility, under the Housing Grants, Construction and Regeneration Act (HGCR) 1996 to award Disabled Facilities Grants and provide a service which delivers these in line with the legislation. These grants enable people with disabilities to have adaptations installed in their homes to improve access into and around their homes. These mandatory grants must be delivered in accordance with the guidance set out by the Ministry for Housing, Communities, and Local Government (MHCLG).
- 2.2. The DFG is a means tested capital grant which can contribute towards the cost of providing equipment in or adapting a home, for example by installing a stair lift, creating a level access shower room, widening doorways, providing ramps and hoists or creating a ground floor extension. DFG funded services are increasingly being used to provide a wider range of solutions to the problems people face in their home and to prevent the need for those affected by disability to go into care or require other statutory service interventions such as hospital services. A maximum limit of £30,000 applies to mandatory DFGs.
- 2.3. The Council receives an annual grant from government to fund DFG services. In 2023/24 the allocation is £1.4m. The DFG allocation forms part of the Better Care Fund (BCF) allocation. The BCF was established in 2015 to join up NHS, social care, and housing services so that older people, and those with complex needs, can manage their own health and wellbeing and live safely and independently in their communities for as long as possible. The BCF requires local authorities to pool budgets with strategic health partners to achieve BCF Plan health and social care outcomes. The cost of the contract is fully covered by the DFG grant allocation.
- 2.4. The provision of DFG services in Merton is contracted to Sutton Staying Put (SSP), the improvement agency of Sutton Council, and CBS Adaptation Design (CBS), a private company. These two organisations in effect operate as Merton's Home Improvement Agency (HIA). Current arrangements have been in place for many years without re-procurement during that period. Following a review of the DFG service in 2021 recommendations for a new service and procurement of a new contract were recommended.
- 2.5. The new service delivery model will address the issues identified in the DFG Review and will produce a more efficient, effective and transparent service with a focus on delivering:
 - Improved monitoring and performance management
 - Improved works completion timescales
 - Demonstrable value for money of HIA service delivery
 - Improved customer outcomes
- 2.6. Under current arrangements the HIA submits invoices for its fees (OT, surveyors etc) with the invoices from the adaptations contractors, such as lift or disabled bathroom installers, and the Council pays the HIA and the contractors directly. Procedures will be developed under the contract management arrangements to ensure that contractor works and associated

invoices are subject to checks and sign-off, including site inspections commensurate with the value of the works.

- 2.7. The new contract requires the supplier to operate a compliant contractor selection system for jobs raised (a Dynamic Purchasing System, or industry standard system such as Constructionline). In addition, a quality control and complaint management process are a contract requirement. These measures will improve transparency and enable the Council to achieve value for money. The system is required to be auditable and will be monitored by officers as part of the contract management arrangements.
- 2.8. The contract will be subject to periodic monitoring reviews and an annual performance review and performance will be reviewed prior to consideration of extending the contract beyond the initial 3-year period.
- 2.9. The procurement did not anticipate financial savings. This is because the funding for mandatory DFG work is funded by the annual DFG grant allocation within the Better Care Fund (BCF). The new DFG contract expenditure will be within the envelope of the grant allocation which has been continually underspent for years.
- 2.10. A major part of DFG spend relates to contractor works and equipment supplies and given the increased costs associated with construction and related supplies both prior to and subsequent to the cost of living crisis, savings were not envisaged. In addition to this situation a Housing Assistance Policy has recently been produced, which if adopted will enable the Council to provide disabled adaptations and related services in line with discretionary powers. This will lead to increased expenditure for a range of needs that are not currently met under the mandatory DFG adaptations requirements. The anticipated increased expenditure will be contained within the overall envelope of the annual DFG grant allocation. For these reasons financial savings were not able to be identified.

Tender Process

- 2.11. The 'Open Tender' route to market was chosen specifically to reach as many interested parties as possible. The Council also published a Prior Information Notice (PIN) in advance of going out to tender. This was to try to garner as much interest as possible in this tender opportunity. A single stage 'open' procedure, as set out in the Public Contract Regulations 2015 (SI 2015/102) ("PCR 2015"), was used for the purpose of this tender exercise.
- 2.12. In accordance with the requirements of that procedure, potential contractors were requested to bid for the proposed contract following the publication of a Contract Notice (2022/S 000-033462) on 25th November 2022. The tender opportunity was advertised to interested bidders via the Find a Tender service (FTS), the Contracts Finder website, and through the London Tenders Portal. The tender process was conducted electronically using the portal.
- 2.13. The publishing of the tender opportunity coincided with Bank Holiday periods. When publishing a tender opportunity over Bank Holiday periods, best practice is to allow additional time for prospective bidders to submit bids, as was the case with this tender opportunity. The standard time frame

for tenders of this value is 30 calendar days; the Council originally allowed for 40.

- 2.14. During the start of Merton’s tender process, bidders are able to submit clarification questions and it is via this process that a bidder requested an extension to the submission deadline. This request was approved, and an additional seven days granted. Bidders therefore had 47 days in which to submit a bid. This extension was applicable to all prospective bidders. Given the information obtained from the market, prior to going out to tender, it is believed that had the tender publishing period been moved to avoid Christmas and New Year, the outcome would not have differed significantly.
- 2.15. Organisations were invited to submit a bid based on the cost of the provision of a range of disabled adaptations and related services reflecting the needs of the community. Bidders were required to submit a detailed cost analysis setting out the financial structure of their bid pricing. This included detail of the breakdown of their wage and overhead costs. Bidders were also requested to provide detailed method statements explaining how they would deliver these services.
- 2.16. Bidders were required to submit as part of their tender submission a proposal in regard to adding Social Value. In addition, they were advised of the Council’s commitments under its Climate Emergency Action Plan and required to set out in their bids how they proposed to assist the Council achieve its Plan objectives.
- 2.17. The Tender stipulated that the contract would be awarded to the bidder whose tender was judged to be the most economically advantageous based on price and quality criteria. As set out in the table below, 55% of the evaluation was based on quality considerations, 5% based on proposals relating to the delivery of social value objectives, and 40% on the assessment of price.

Published Award Criteria	Weighting	Sub Criteria Weighting
Technical & Quality	55%	
Demonstrable ability to deliver a wide-ranging disabled adaptations service;		10%
Ability to provide adaptations for children with complex needs		8%
Methodology		10%

Managing Contractor relationships		7%
Service Mobilisation Project Plan		10%
Approach to Work Contractor Selection Process		10%
Social Value	5%	
Social Value Charter		5%
Price	40%	

2.18. The qualitative criteria were assessed across a range of operational areas and took into account the issues identified within, and the recommendations arising from, the DFG Review. The invitation to tender detailed the agreed scoring methodology for potential bidders.

2.19. Bidders were also informed that the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006 were likely to apply (“TUPE Provisions”).

2.20. The tender was published on 25th November 2022 and the return date for tenders was stated as 4th January 2023. Following a potential bidder’s request for an extension of the submission deadline, to take account of organisation closure over the Christmas and New Year holiday period the submission deadline was extended to 11th January 2023.

2.21. Forty-nine expressions of interest were received and ten suppliers indicated the intention to respond. However, only one supplier submitted a bid within the deadline. A further clarification question was posted on the portal requesting the reasons why the organisations that had stated the intention to bid, did not do so. Three organisations responded with a variety of reasons for not submitting bids, including not supplying the ranges of adaptations required, insufficient time to submit a bid, and restrictive requirements of the bid such as the TUPE provisions.

Tender Evaluation

2.22. Bid evaluation was undertaken in four stages, firstly an initial review of the bids to check completeness, compliance, and to assess any grounds for exclusion. Bids were reviewed against the mandatory and discretionary grounds for exclusion and on their turnover and experience of delivering a disabled adaptations service. This was followed by the second stage, a detailed consideration and scoring of written quality. The third stage of the evaluation was moderation with all evaluation panel members, chaired by a Category Advisor from the Commercial Services team, and the fourth stage was the social value and prices submissions.

- 2.23. The evaluation process was supported and overseen by the Category Advisor from the Council’s Commercial Services team, ensuring that scoring against the evaluation criteria was consistent across the process.
- 2.24. The evaluation team individually assessed each tender and scores were awarded to the bidder in respect of the evaluation criteria. Following a moderation exercise, to achieve a consensus score for the bid, final scores based on written submissions were confirmed.
- 2.25. Following the conclusion of this process, the evaluation team determined that Bidder A satisfied the requirements in respect of the published criteria, and it is recommended the Council awards the contract to this company.

3 ALTERNATIVE OPTIONS

- 3.1. The alternative options that were considered are set out below.

Option	Advantages	Disadvantages
1. Do not enter into a contract / withdraw service	None	The Council would be unable to provide an adaptations service in line with its statutory duties.
2. Roll-on existing contracts without going out to the market	Avoidance of expenditure and committing staff resources in a new procurement process.	Failure to demonstrate value for money, delivery of good practice compliance. The current contracts have run for many years without retendering. Continuing these contracts would mean failure to address concerns identified in the previous DFG Review.
3. In-house provision	Would enable the Council to provide a service consistent with good practice guidance, and have control over resource allocation, and quality compliance management.	Staffing and other resource costs, including set up of required IT systems and sub-contractor selection systems, would not deliver value for money.

- 3.2. The options of not providing the service or allowing the current arrangements to continue were not tenable. Consideration was given to repeating the tender exercise with the aim of increasing the number of bidders for the contract. However, based on feedback obtained from companies that initially expressed an intention to bid and subsequently did not, it is unlikely that the outcome would have been different, considering the profiles of those companies.
- 3.3. It is unlikely that going back out to the market will result in a substantially larger number of bids being submitted by providers capable of delivering the

Council's requirements. Market research to date has indicated that there is limited interest in the contract from companies that meet the Council's requirements. One of the current suppliers, Sutton Staying Put, made it clear some time ago that they were not interested in providing the service any further.

- 3.4. For the reasons set out above, the Council can show that it has engaged with the market to maximise opportunities for suitable companies to express an interest and bid for the contract, and has demonstrated a value for money approach.
- 3.5. South West London Health Trusts work across different local authority boundaries and work with other suppliers contracted by the relevant local authorities delivering similar services in those areas. Consideration was given to exploring opportunities and possible economies of scale working with other organisations. However, given what is known about the market and the limited interest from other suppliers in delivering the services for Merton, there would be very limited interest from other suppliers in taking on work required under this contract. This situation was evidenced by the Sutton Staying Put's decision's not to continue delivering this type of work for the Council.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. The following consultation has been undertaken:

- Head of Housing & Strategy C&H
- Head of Direct Provision C&H
- Head of Commercial Services
- Service Financial Adviser
- SLLP
- Housing Environmental Team Manager C&H
- Prevention & Recovery Service Manager
- Occupational Therapy Manager C&H

5 TIMETABLE

- 5.1. The new contract is expected to commence on the 4th of September 2023.
- 5.2. The award of this contract is subject to observing a 'standstill' period. However, as only one bidder is involved in the process, under Reg 86(5b) of the PCR15, no standstill period is required. Accordingly, the contract can be formally awarded to the successful bidder with a mobilisation plan to be put into effect to enable the transition from the current suppliers to the new supplier, enabling the contract to commence on 4th September 2023.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. A credit check was carried out and the recommended total value of contracts for this supplier is set out in the confidential Annexe.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The details of the Tender Process and Tender Evaluation set out at paragraphs 2.5 to 2.17 of this report and related Exempt Appendix evidence full compliance with the Council's Contract Standing Orders (CSOs) 19.4.1 and Regulation 27 of the Public Contracts Regulations 2015. Accordingly, it would be lawful to approve the award of contract to the Preferred Bidder.
- 7.2. Once approved, a Contract award notice is required to be published and information about the award of the Contract must also be published on Contracts Finder. The responsible officer must also ensure that the details of the completed contract are entered onto the Council's contracts register.
- 7.3. It is stated that TUPE is likely to apply therefore the responsible officers should ensure that the Council's Human Resources department and/or SLLP's Employment Team are consulted to ensure that the Council discharges any duty it may have to transferring staff.
- 7.4. Section 9E of the Local Government Act 2000 would permit the recommended delegation. In exercising the option to extend the contract, the requirements of CSO 27 must be met, in particular as relates to demonstrating that the extension will offer Value for Money to the Council and the contract continuing to meet the Council's requirements.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. The tender documentation submitted by the successful bidder was assessed against the threshold requirement to ensure bidders comply with current equalities legislation. This is intended to ensure that the contract was awarded to an organisation with equalities and diversity policies and practices in place, which would impact positively on the delivery of the service.
- 8.2. The Council required that bidders submit tenders confirming whether staff are paid the London Living Wage, and this has been confirmed by the successful bidder.
- 8.3. Within the tender, bidders were required to propose social value offers via the Council's social value charter, under 5 specific theme areas: Jobs, Growth, Social, Environmental, and Innovation. The social value offers submitted via the successful bidder will potentially generate social value to the London Borough of Merton. The value of which can be found within the Annex to the report.
- 8.4. The social value offers committed within the successful bid include, 'Support into work' assistance provided to unemployed people; Donations to local community projects, and Volunteering to support local community projects.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. There are no crime and disorder implications arising from the recommendations contained within this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. All organisations that are awarded contracts must have a health and safety policy and procedures for effective health and safety and risk management.
- 10.2. The EU procurement regulations allow a company to challenge a contract decision from a public body, especially on matters of procedure. To mitigate this risk a separate quality assurance role was established for an officer from Commercial Services to monitor the tender procedures.

11 ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 11.1. The service will be delivered in accordance with the Council's Environmental Policy and other relevant policy and legislation. The successful bidder was required to demonstrate how their environmental policies align with the Council's policy, as part of the tender process.

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

- 12.1 Exempt Annex to Report

13 BACKGROUND PAPERS

- 13.1. Contract Standing Orders

Appendix A (Commercially Sensitive Information)

Exempt or confidential report

The following paragraph of [Part 4b Section 10 of the constitution](#) applies in respect of information within this appendix and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the appendix.

Cabinet

19 June 2023

Agenda item:

Wards: All

Civic Pride Programme (reserve fund allocations)

Lead officers:

Lucy Owen, Executive Director for Housing and Sustainable Development

Dan Jones, Executive Director for Environment, Civic Pride and Climate

Lead member:

Councillor Eleanor Stringer, Deputy Leader and Cabinet Member for Civic Pride

Contact officers:

Paul McGarry, Head of Future Merton

Sarah Xavier, Business and Economy Manager, Future Merton

Recommendations:

- A. That Cabinet agree the Civic Pride programme funding allocations.
- B. That Cabinet note that a proportion of the programme remains unallocated in order to respond to in-year ad-hoc projects.
- C. That Cabinet agree that any in-year funding requests are delegated for decision by the Executive Director, in discussion with the Cabinet Member.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report seeks cabinet's approval of the attached Civic Pride: High Streets, programme of activities recommended for the Civic Pride reserves fund for spend in 2023/24, 2024/25 and 2025/26. The list of allocations in appendix 1.
- 1.2. On 21st March 2023, CMT reviewed the draft programme allocations and agreed funding for the Mitcham Town Centre Management and Mitcham Market workstreams as a key priority for Members.
- 1.3. On 16th May, CMT agreed the attached programme which has been refined in discussion with the Cabinet Member and Leader. The attached programme highlights in bold, which projects directly align with Cabinet priorities whilst the rest of the programme is supported subject to Cabinet approval.
- 1.4. Members have requested that the programme is not fully allocated to leave headroom for in-year bids and ad-hoc requested that may arise. (such as

community events or responding to changes in town centres) The programme provides a measure of contingency / unallocated reserves to respond to ad-hoc requests.

- 1.5. Cabinet are asked to agree that in-year funding requests are delegated for decision by the Executive Director in discussion with the Cabinet Member, commensurate to existing levels of financial authority.

2 DETAILS

- 2.1. On 27th June 2022, Cabinet resolved to allocate £2m reserve towards Civic Pride activities as an emerging priority for the administration. Officers have developed an outline programme of projects with the Cabinet Member for Civic Pride and Leader of the Council; for delivery over the next three years.
- 2.2. All projects seek to build a greater sense of civic pride in Merton through a range of initiatives focussed on supporting high streets and the local economy, promoting community events and investing in the look-and-feel (beautification) of neighbourhoods and borough gateways, dovetailing with other CIL and Capital funded investments throughout the borough.
- 2.3. Appendix 1 sets out the draft £2m Civic Pride programme allocations. Priority projects are highlighted in bold; focussed on Mitcham town centre and Mitcham carnival that required immediate resource already approved by CMT.
- 2.4. Appendix 1 also sets out draft programmes for allocated Capital funding related to Civic Pride. These are:
- £3m Civic Pride Capital: Public Realm Enhancements
 - £1.5m Civic Pride Capital: Shopping Parade Enhancements
- 2.5. Similar to the Civic Pride reserves, these programmes have been developed in conjunction with Councillors and align with civic pride, CIL projects and broader regeneration ambitions. Costings for the capital projects have been reviewed due to current cost-price inflation. The refined programme is attached for cabinet to formalise the allocations.

Example Projects

- 2.6. To give a flavour of the types of projects that the Civic Pride programme will deliver to support our high streets and improve the look and feel of the borough; some recent examples are noted overleaf.

2.7. Leopold Road: New paving, trees, planters, shopfront de-cluttering.



2.8.

After



2.9.

Before

2.10. Colliers Wood High Street: Shopfront enhancements



2.11.

After



Before

2.12. Wimbledon Chase

2.13. Tree planting, re-paving, flowerbeds



2.14.

After



2.15.

Before

3 ALTERNATIVE OPTIONS

3.1. The council could continue with the current approach to high street regeneration which focuses on promoting development through the planning system, working with partners and driving forward enhancements via CIL funded shopfront improvements. This option does not provide direct business support, management of events or custodianship and promotion of our town centres at present.

3.2. This report sets out a co-ordinated programme of investment to improve the local environment for our local high streets which dovetail with existing CIL allocations.

4 TIMETABLE

- 4.1. The funding has already been agreed by Cabinet in June 2022. This report provides the detail of projects to be included in the programme. Delivery of projects will be undertaken on a rolling programme through to 2025/26.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 5.1. The allocation of budgets for the £2m Civic Pride reserve, £3m Civic Pride Public Realm (Capital) and £1.5m Civic Pride Shopping Parade Enhancements (Capital) Have all been approved by Cabinet and Full Council as part of the budget setting process.
- 5.2. The individual projects within these allocations are draft, subject to approval by Cabinet.

6 LEGAL AND STATUTORY IMPLICATIONS

- 6.1. None for the purpose of this report

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 7.1. None for the purpose of this report

8 CRIME AND DISORDER IMPLICATIONS

- 8.1. None in relation to this report

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 9.1. None in relation to this report

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

- 10.1. Appendix 1
- Civic Pride (Reserves) proposals
 - Civic Pride Public Realm (Capital) proposals
 - Civic Pride Shopping Parade (Capital) proposals

11 BACKGROUND PAPERS

- 11.1. Cabinet Papers 27th June 2022: allocation of Civic Pride Reserves (item 7) <https://democracy.merton.gov.uk/ieListDocuments.aspx?CId=146&MeetingId=4181>

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Civic Pride Portfolio Projects

£2m Civic Pride Reserves Fund (Revenue)		Bold: Cabinet Priorities. Draft allocations for Cabinet approval (Budget Codes TBC)						
Dept	Project Description	Allocation	2022/23 Allocation	2023/24 Allocation	2024/25 Allocation	2025/26 Allocation		Comments
ECP&C	Mitcham Carnival	120,000	10,000	30,000	40,000	40,000		Event management and promotion (previously agreed at CMT)
ECP&C	Tennis Big Screens	30,000	0	10,000	10,000	10,000		Event Management, staffing and supporting equipment (separate bid for the screen itself)
HSD	Christmas Lights Installation	64,000	0	0	32,000	32,000		Installation costs from 2023/24+ as agreed savings
HSD	Christmas Lights Switch On Event	30,000	0	10,000	10,000	10,000		Event management, equipemnt and promotion
HSD	Mitcham Town Centre Manager	180,000	0	60,000	60,000	60,000		New post: recruitment underway (previously agreed at CMT)
HSD	Mitcham Town Centre Management Activities Fund	120,000	0	40,000	40,000	40,000		Events and promotional budget for TC Manager (previously agreed at CMT)
HSD	Mitcham Market Operator	300,000		100,000	100,000	100,000		Subject to tender prices / procurement. GW1 agreed (previously agreed at CMT)
HSD	Town Centre Business Support SLA	10,000	10,000	0	0	0		Merton Chamber business engagement (Mitcham Business Forum)
HSD	Town Centre Lamp post banner brackets	12,000	12,000	0	0	0		Brackets for Coronation and Town Centre banner programme
HSD	Lamp post banners (design, print and future refresh)	30,000	0	20,000	5,000	5,000		Place Branding / Art / Promotion for town centres and local high streets
HSD	High Streets + gateways Beutification (revenue)	600,000	0	200,000	200,000	200,000		Beautification Schemes' Renewal of street signs, repainting line markings, refresh lamp column paining, planters, landscaping and borough entry points.
HSD	Pollards Hill Bus Stop (revenue)	50,000	0	25,000	25,000	0		Revenue support for Project Management post and Events - supporting CIL Capital for community space and café in former bus-stop WCs.
HSD	Night Time Strategy & Action Plan	55,000	0	45,000	10,000			Resource to engage and publish Merton's Nigt Time Strategy
HSD	Community Toilet Scheme	30,000	0	10,000	10,000	10,000		Relaunch of community toilet scheme (following scrutiny review)
ECP&C	Sibthorpe Car Park Planters	20,000	0	20,000	0	0		Vermin control and re-landscaping of Mitcham town centre gateway
ALL	Programme Contingency	349,000	0	120,000	120,000	109,000		Contingency for inflation / slush fund for in-year projects and requests
Totals		2,000,000	32,000	690,000	662,000	616,000	2,000,000	

£3m Civic Pride Capital: Public Realm Enhancements		Bold: Cabinet Priorities. Draft allocations for Cabinet approval (Budget Codes TBC)						
Dept	Project Description	Allocation	2022/23 Allocation	2023/24 Allocation	2024/25 Allocation	2025/26 Allocation		Comments
HSD	Beautification / Borough gateways / Streetscape + public realm (capital)	425,000	0	150,000	175,000	100,000		Streetscape and public realm enhancements for borugh entry points and high streets (paving, planting, painting, decluttering, art etc)
HSD	CIL Top Up: Haydons Road North public realm	290,000	0	290,000	0	0		Top up of CIL for cost inflation: allows the high-street renewal scheme to progress in 2023.
HSD	CIL Top Up: Milner Road streetscape	100,000	0	100,000	0	0		Top up allows the scheme to progress 2023 with EV and Cycle Parking (exemplar street) Top-up due to cost inflation
HSD	CIL Top UP: Pollards Hill Bus Stop Community Space (CIL Capital)	200,000	0	50,000	100,000	50,000		Top up allows the scheme to progress 2023 (in absence of GLA funding)
HSD	CIL Top Up: Martin Way environmental enhancements	60,000	0	60,000	0	0		Top up allows the scheme to complete 2023 (high street beautification)
HSD	Rain Gardens / flood attenuation	220,000	0	60,000	80,000	80,000		Continue programme of rain gardens (can act as match for Thames Water investment)
HSD	Hanbury fountain restoration and relocation	15,000	0	0	15,000	0		Match funding with Heritage of London Trust (Heritage / Civic Pride scheme)
HSD	Vestry Hall architectural lighting and streetscape improvements	40,000	0	20,000	20,000	0		VAWG and Nighttime economy audit reccomendation: Re-enforcing Vestry Hall as base for Mitcham Arts Collective and night-time use
HSD	Mitcham town centre improvements Phase 6 (Langdale Parade)	300,000	0	0	150,000	150,000		Extention of town centre streetscape enhancments (beautification) from Fair Green to 3 Kings Pond.
HSD	Raynes Park town centre - multi agency match funding	300,000	0	0	50,000	250,000		Multi-agency project for flood alleviation rain gardens, high street greening, public space creation and gyratory removal (match Env Agency and TFL)
HSD	Borough Entry Streetscape - Greyhound Terrace	300,000	0	0	200,000	100,000		Public Realm paving, greening, cycle parking to match with Shop Fronts programme
HSD	Shopping Parades Streetscape - Northborough Rd	100,000	0	0	100,000	0		Public Realm paving, greening, cycle parking to match with Shop Fronts programme
HSD	Shopping Parades Streetscape - Streatham Road	300,000	0	0	150,000	150,000		Public Realm paving, greening, cycle parking to match with Shop Fronts programme
HSD	Programme Contingency	350,000	0	100,000	150,000	100,000		Contingency for inflation / slush fund for in-year projects and requests
Totals		3,000,000	0	830,000	1,190,000	980,000	3,000,000	

£1.5m Civic Pride Capital: Shopping Parade / Shopfront Enhancement		Bold: Cabinet Priorities. Draft allocations for Cabinet approval (Budget Codes TBC)						
Dept	Project Description	Allocation	2022/23 Allocation	2023/24 Allocation	2024/25 Allocation	2025/26 Allocation		Comments
HSD	Grove Road / Leonard Rd, Mitcham (Borough Gateway)	400,000	0	200,000	200,000	0		7 units: - shopfront upgradessubject to viability of the businesses
HSD	Northborough Road, Mitcham (Borough Gateway)	600,000	0	300,000	300,000	0		15 units: shopfront upgrades
HSD	Merton High Street, South Wimbledon	20,000	0	20000	0	0		Scoping Stage: Major project: subject to additional SCIL bids in future (link to High Path Regeneration)
HSD	London Road, Mitcham	20,000	0	20,000	0	0		Scoping Stage: Major project: subject to additional SCIL bids in future
HSD	South London Knowledge Exchange (SoundLounge) Morden	80,000	0	80,000	0	0		Match for SLKX shopfont changes
HSD	Programme Contingency	380,000	0	190,000	190,000	0		
Totals		1,500,000	0	810,000	690,000	0	1,500,000	

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Committee: Cabinet

Date: 19 June 2023

Wards: All

**Subject: London Borough of Merton Treasury Management Strategy
Annual Review 2022/23**

Lead officer: Roger Kershaw - Finance and Digital

Lead member: Councillor Billy Christie – Corporate Services Lead

Contact officer: Nemashe Sivayogan. - Head of Treasury and Pensions

Recommendations:

- A. This is an update on the Merton Treasury management activity during 2022-23 and details any difference in activity from the Treasury management strategy approved in March 2022.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The Council undertakes Treasury Management Activities in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, which requires that the Council receives an annual strategy report by 31 March for the year ahead and an annual review report of the previous year by 30 September. This report is the review of Treasury Management annual activities during 2022/23.

2 DETAILS

- 2.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2022/23 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual Treasury strategy in advance of the year (Council March 2022)
- a mid-year (minimum) treasury update report to the Council- November 2022.
- an annual review following the end of the year describing the activity compared to the strategy (this report)

- plus- monthly Treasury management activity update for the S151/ Deputy S151 officer

2.2 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

2.3 THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING

2.3.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need: or
- If insufficient financing is available, or a decision is taken not to apply internal resources, the capital expenditure will give rise to a borrowing need.

2.3.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Capital expenditure.	23,892	43,873	41,564
Financed in Year	5,913	10,441	22,729
Unfinanced Capital Expenditure	17,979	33,432	18,835

2.4 THE COUNCIL'S OVERALL BORROWING NEED

2.4.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). As at 31 March 2023 the council was 19% under borrowed. This will be higher now after the Council has paid off a significant amount of PWLB loans in April 2023.

2.4.2 **Gross borrowing and the CFR** – in order to ensure that borrowing levels are prudent over the medium term and is only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2021/22), plus the estimates of any additional capital financing requirement for the current (2022/23) and next two financial years. This essentially means that the council is not borrowing to support revenue expenditure.

Capital Financing Requirement(CFR)	2022/23 Actual £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Total CFR	160,290	165,120	187,144

2.4.3 **The authorised limit** – this is the “affordable borrowing limit” required by S3 of the Local Government Act 2003. Once this has been set, the council does not have the power to borrow above this level. The table below demonstrates that during 2022/23 the Council has maintained gross borrowing within its authorised limit.

2.4.4 **The operational boundary** – is the expected borrowing position of the council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

2.5 THE COUNCIL’S OVERALL TREASURY POSITION AS AT 31 MARCH 2023

2.5.1 At the beginning and the end of 2022/23 the Council’s treasury (excluding borrowing by PFI and finance leases) position was as follows:

	Balance as at 31 March 2022	Balance as at 31 March 2023
CFR including PFI & lease	167,460	171,044
CFR excluding PFI & lease	138,653	145,019
External Borrowing	109,010	108,700
Over/Under Borrowing	(28,807)	(36,009)

	Investment		Debt	
	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23
Average interest Rate	0.64%	4.17%	5.54%	5.84%
Average period	179 days	207 days	32 Yrs	36 Yrs
Total interest	£0.53m	£4.8m	£6.1m	£6.1m
Balance as at 31 March Fixed Deposits/loan	£70m	£136.8m	£109m	£108.7m
Balance as at 31 March MMFs	£50m	£180m	n/a	n/a

2.5.2 In 2022-23 interest rates increased significantly, especially from December 2021 with the Bank of England increasing the base rate on a regular basis. On the 5th January 2023 London Borough of Merton sold its subsidiary company, CHAS 2013 Ltd. The sales proceeds were placed in Money Market Funds and the DMO in the short term. This is the reason for the large increase in cash balances and deposit interest income. In the new financial year, it is proposed to invest the CHAS sales proceeds into long-term bonds to secure a stable long-term return.

- 2.5.3 With the reasons explained in point 2.5.2 in 2022-23 the investment income generated from the treasury investments was £4,812m. Although a temporary measure the figure is significantly higher than the budgeted figure.
- 2.5.4 As rates have increased over the last year the Council has been more active in making deposits given the extra cash while still making prudent decisions and always referring to our Treasury Advisors recommended counterparty list. Diversification has been achieved by placing money with the DMO and utilizing our Treasury Advisors own investment portal, Agency Treasury Services (ATS) to place funds with new counterparties.
- 2.5.5 The Council approved the opening of two more Money Market Funds in December 2022 and January 2023 bringing the total to 7 and this provided the opportunity to spread our cash balance investments and still maintain liquidity.
- 2.5.6 In general the Council's uses external borrowing to fund its long-term capital expenditure. Members will note Merton has not taken on any new borrowing since 2007. The debt portfolio was £108.7m as at 31 March 2023 after a PWLB loan of £310k matured during in the year.
- 2.5.7 In April 2023 the council decided to pay off all its long terms PWLB debts from the one off capital receipt received in Jan 2023. The Council could not pay off the LOBO loans but was able to settle the PWLB loans. Out of £51.7m PWLB loans £38m was paid off in April with the remaining PWLB loans maturing at the end of 2023/24. This cost £41.3m in total with accrued interest and early repayment premium.
- 2.5.8 The remaining £13.7m will mature on the 31 March 2024. With the redemption of these loans the Council's debt portfolio will be reduced to £57m. This will result in an annual loan interest saving and saving from MRP provision going forward.

Maturity structure of the debt portfolio.	March 2023 £'000	2022/23 %	April 2023 £000	30 April 2023 %
Under 12 months	13,700	12.6	13,700	19.38
12 months and within 24	12,500	11.5	0	
24 months and within 5 years	4,500	4.14	4,500	6.36
5 years and within 10 years	1,000	0.92	0	
10 years and within 15 years	11,500	10.58	9,000	12.73
15 years and over	65,500	60.26	43,500	61.53
Total Debt	108,700	100	70,700	100

2.6 BORROWING OUTTURN FOR 2022/23

2.6.1 An analysis of movements at nominal values on loans during the year is shown below:

	Balance at	Loans raised	Loans repaid	Balance at	Repaid in 2023/24	Balance at
	March 2022			March 2023		April 2023
	£000's	£000's	£000's	£'000	£'000	£000's
PWLB	52,010		(310)	51,700	(38,000)	13,700
Other loans	57,000	-				57,000
Total Debt	109,010		310		(38,000)	70,700

2.6.2 The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

2.7 INVESTMENT OUTTURN FOR 2022/23

2.7.1 The Council's investment policy is governed by DLUHC guidance, which was been implemented in the annual investment strategy approved by the Council on the 03 March 2022

This policy set out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

2.7.2 The Council manages its investments in-house (with advice from Link Asset Services) with the overall objective to balance risk with return and the overriding consideration being given to the security of the available funds.

2.7.3 The investment activity during the year confirmed to the approved strategy, and the Council had no liquidity difficulties.

2.7.4 the table below shoes the investment breakdown and the movement in 2022/23

	Investment at 31/03/22 £000's	Amount Invested in year £000's	Investments realised in year £000's	Balance at 31/03/23 £000's
Fixed Rate Investments	60,000	192,575	(125,756)	126,819
Money Market Fund	50,000	165,000	(35,000)	180,000
CCLA Investment	10,000			10,000
Total Investments	120,000	357,575	(160,756)	316,819

Please note- £41.3m of the above balance was used pay off the PWLB loans on the 06 April 2023

2.7.5 The table below gives details of the fixed deposits made in year and MMFs.

Counterparty	Start	Matured	Principal
CLOSE BROTHERS	28/09/2020	29/12/2023	5,000,000.00
CLOSE BROTHERS	26/03/2021	28/09/2023	5,000,000.00
DMADF	13/03/2023	12/04/2023	21,818,863.26
DMADF	27/03/2023	03/04/2023	25,000,000.00
GOLDMAN SACHS	29/01/2021	01/08/2023	5,000,000.00
GOLDMAN SACHS	26/02/2021	29/08/2023	5,000,000.00
GOLDMAN SACHS	06/01/2023	06/07/2023	10,000,000.00
N&AN	10/11/2021	10/05/2023	5,000,000.00
NATWEST	20/01/2021	22/01/2024	5,000,000.00
NATWEST	26/01/2022	26/01/2024	5,000,000.00
NATWEST	06/05/2022	09/05/2023	5,000,000.00
NATWEST	04/11/2022	04/08/2023	5,000,000.00
NATWEST	11/11/2022	10/11/2023	5,000,000.00
SANTANDER	06/01/2023	06/07/2023	10,000,000.00
STANDARD CHARTERED	24/11/2022	24/05/2023	5,000,000.00
STANDARD CHARTERED	25/11/2022	24/08/2023	5,000,000.00

3.0 MARKET UPDTE/FORECAST

UK. Economy.

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022/23.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps in 2022. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	4.50%	3%	4.75%-5%
GDP	0.1%q/q Q4 (4.1%y/y)	+0.1%q/q Q4 (1.9%y/y)	2.6% Q4 Annualised
Inflation	10.4%y/y (Feb)	6.9%y/y (Mar)	6.0%y/y (Feb)
Unemployment Rate	3.7% (Jan)	6.6% (Feb)	3.6% (Feb)

Q2 of 2022 saw UK GDP deliver growth of +0.1% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Q4 GDP was positive at 0.1% q/q. Most recently, January saw a 0.3% m/m increase in GDP as the number of strikes reduced compared to December. In addition, the resilience in activity at the end of 2022 was, in part, due to a 1.3% q/q rise in real household disposable incomes. A big part of that reflected the £5.7bn payments received by households from the government under the Energy Bills Support Scheme.

The UK unemployment rate fell through 2022 to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact remains, however, that with many economic participants registered as long-term sick, the UK labour force shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food (up 18.3% y/y in February 2023) and energy that have endured since Russia's invasion of Ukraine on 22 February 2022.

Bank Rate increased steadily throughout 2022/23, starting at 0.75% and finishing at 4.25%.

In the interim, following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of the 17th of November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have reversed the increases seen under the previous tenants of No10/11 Downing Street, although they remain elevated in line with developed economies generally.

As noted above, GDP has been tepid throughout 2022/23, although the most recent composite Purchasing Manager Indices for the UK, US, EZ and China have all surprised to the upside, registering survey scores just above 50 (below suggests economies are contracting, and above suggests expansion). Whether that means a shallow recession, or worse, will be avoided is still unclear. Ultimately, the MPC will want to see material evidence of a reduction in inflationary pressures and a loosening in labour markets. Realistically, that is an unlikely outcome without unemployment rising and wage settlements falling from their current levels. At present, the bigger rise in employment kept the ILO unemployment rate unchanged at 3.7% in January. Also, while the number of job vacancies fell for the ninth consecutive month in February, they remained around 40% above pre-pandemic levels.

The Link Group's economic analysts, Capital Economics, expect real GDP to contract by around 0.2% q/q in Q1 and forecast a recession this year involving a 1.0% peak-to-trough fall in real GDP.

The £ has remained resilient of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.23. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 4.5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

As for equity markets, the FTSE 100 started 2023 strongly, rising to a record high of 8,014 on 20th February, as resilient data and falling inflation boosted earnings. But global equities fell sharply after concerns over the health of the global banking system emerged early in March. The fall in the FTSE 100 was bigger than the drop in the US S&P 500. Indeed, at around 7,600 now, the FTSE is 5.2% below its record high on 20th February, while the S&P 500 is only 1.9% lower over the same period. That's despite UK banks having been less exposed and equity prices in the UK's financial sector not falling as far. It may be due to the smaller decline in UK interest rate expectations and bond yields, which raise the discounted value of future earnings, compared to the US.

USA. The flurry of comments from Fed officials over recent months suggest there is still an underlying hawkish theme to their outlook for interest rates. Markets are pricing in a further interest rate increases of 25-50bps, on top of the current interest rate range of 4.75% - 5%.

In addition, the Fed is expected to continue to run down its balance sheet once the on-going concerns about some elements of niche banking provision are in the rear-view mirror.

As for inflation, it is currently at c6% but with the economy expected to weaken during 2023, and wage data already falling back, there is the prospect that should the economy slide into a recession of any kind there will be scope for rates to be cut at the backend of 2023 or shortly after.

EU. Although the Euro-zone inflation rate has fallen below 7%, the ECB will still be mindful that it has further work to do to dampen inflation expectations and it seems destined to raise rates to 4% in order to do so. Like the UK, growth has remained more robust than anticipated but a recession in 2023 is still seen as likely by most commentators.

3 ALTERNATIVE OPTIONS

3.1. N/A

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. Treasury consultants- LINK Asset Management

5 TIMETABLE

5.1. none

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. Covered in the report

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. none

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. none

9 CRIME AND DISORDER IMPLICATIONS

9.1. none

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. none

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

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12 BACKGROUND PAPERS

12.1. Statement of accounts

12.2. The Treasury Management Strategy

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Cabinet

Date: 19 June 2023

Subject: Financial Report 2022/23 - Outturn

Lead officer: Roger Kershaw – Finance and Digital

Lead member: Councillor Billy Christie, Cabinet Member for Finance and Corporate Services.

Recommendations:

1. That Cabinet consider the outturn position on Capital and approve the Slippage into 2022/23 and other adjustments detailed in Appendix 2C, 2C1 and Section 7 of the report
2. That Cabinet approve the establishment of a renewals and repairs fund of circa £80k for 10 years required as part of the grant conditions for the Lawn Tennis Association Capital Grant of £708,650
3. That Cabinet consider the outturn position on revenue and approve the proposed appropriation of the £2.392m favourable variance to reserves

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

This report outlines the outturn position for the last financial year (2022/23) and the issues that arise from it.

Section 2 – Summarises the revenue outturn position of the Authority.

Section 3 – Reviews the detailed outturn position for service departments

Section 4 – Reviews the outturn position for corporate items

Section 5 – Provides information on Reserves

Section 6 - Provides information on the capital outturn

Section 2 – REVENUE OUTTURN 2022/23

FINAL OUTTURN	Current Budget 2022/23	2022/23 Outturn	2022/23 Outturn Variance
	Direct	Direct	Direct
	£000	£000	£000
Department			
Corporate Services	31,652	32,823	1,171
Children, Schools & Families	63,544	65,194	1,650
Community & Housing	65,553	65,540	(13)
Environment & Regeneration	14,196	19,591	5,395
Net Service Expenditure	174,945	183,148	8,203
Overheads	(265)	(217)	48
Corporate Provisions	(5,608)	(15,867)	(10,259)
Corporate Provisions - Covid Expenditure	0	46	46
Total General Fund	169,072	167,110	(1,962)
Business Rates including Section 31 grant	(39,933)	(39,933)	0
Grants excluding Section 31 Grant	(24,904)	(25,334)	(430)
Covid-19 grants	(262)	(262)	0
Council Tax and Collection Fund	(103,973)	(103,973)	0
Funding	(169,072)	(169,502)	(430)
Net balance 2022/23	0	(2,392)	(2,392)

Given the favourable variance in 2022/23 arising from this, it is proposed to apply the budget released as set out in the following table:-

Net balance transferred to Earmarked Reserves	£000
<u>Reserves:</u>	
Strategic Priorities Fund	2,392
Net balance transferred to Earmarked Reserves	2,392

During 2022/23 there was a Net service expenditure adverse variance of £8.202m offset by a favourable variance of £10.165m in corporate provisions and a favourable variance of £0.430m in funding. This led to a net favourable variance of £2.392m.

Section 3 Detailed Service Spending

Corporate Services

Division	2022/23 Current Budget £000	2022/23 Full year Actual Outturn £000	2022/23 Full Year Outturn Variance £000	2022/23 Full Year Forecast Variance (January) £000	202/22 Outturn Variance £000
Customers, Policy & Improvement	5,552	5,585	32	106	(191)
Infrastructure & Technology	13,687	14,108	421	458	80
Corporate Governance	2,379	2,487	108	24	141
Resources	6,321	6,406	85	483	13
Human Resources	2,289	2,643	354	98	214
Corporate Other	1,424	1,594	170	(43)	388
Total (Controllable)	31,652	32,823	1,170	1,125	645

Overview

At the end of 2022/23 Corporate Services (CS) department had an adverse variance of £1.170m compared to £1.125 that was forecasted at the end of January (period 10). The net change in variance from period 10 is an increase in overspend of £46k. The bulk of the overspend on IT, Comms and Marketing and HR reflected additional activity during the year which has been reflected in their budgets for 2023/24 going forward. The Directorate continues to work to reduce its dependence on Agency staff which is also contributing to the reported adverse variance. The Infrastructure and Technology Division continues to experience a shortfall in income across a range of activity (eg. Printing, Chaucer centre usage, Facilities etc.) which will need addressing in 2023/24.

The net change in variance is made up as follows:

(£398k) decrease – Resources

(£74k) decrease – Customers, Policy and Improvement

(£36k) decrease – Infrastructure & Technology

£256k increase – Human Resources

£213k increase – Corporate other

£85k increase – Corporate Governance

Customers, Policy and Improvement - £32k adverse variance

This adverse variance is offset by favourable variances primarily due to vacancies during the year, such as in CPI AD (£111k) and Programme Office (£80k). The Voluntary Sector Coordination budget also has a favourable variance of (£67k) on grants expenditure.

The Registrars service achieved a favourable variance of (£67k) due to an over recovery of income targets.

Additional favourable variances include (£29k) due to an underspend in banking costs for Cash Collections and (£26k) underspend in Customer Contact consultancy costs.

Adverse variances for CPI are:

£295k overspend on agency costs mostly in Press and Public Relations budget of £219k, Comms & Marketing £42k, Policy and Strategy £24k and Merton Link £11k.

£83k overspend on employee costs for MIB #50-Project Management.

£46k underachievement of income of which Translation services is £33k and Blue Badge £11k.

The net favourable change in variance of outturn vs P10 for CPI of (£74k) is made up of the following:

(£88k) Registrars increased income and decrease in grounds maintenance including some costs being capitalised for a new marquee

(£72k) decreased telephone call charges and IT licences for Customer Contact

(£40k) reduced agency costs for Press and public relations

(£22k) decreased grant payments to voluntary organisations

£83k increased staff costs for MIB #50 project management

£30k increased Merton Link costs - £10k agency, £15k network charges

Infrastructure & Technology - £421k adverse variance

Favourable variances within the division that has helped to offset the adverse variance are as follows:

(£138k) underspend in IT licences, (£116k) overachievement of Post services income, (£67k) overachievement of income and (£30k) underspend on employee costs within Translation services, (£44k) underspend in Facilities for employee costs, (£20k) underspend in Safety Services supplies and services and (£14k) underspend in energy conservation works.

Adverse variances include:

£109k overspend on agency costs across the following service teams. IT service delivery £44k, Commercial Services £29k, £32k Facilities management.

£107k overspend on Electricity for CS buildings

£32k overspend in IT Telecoms telephone costs

£53k overspend on paper costs for Printing Services

£528k underachievement in income across the following service teams. £179k print recharges, £143k PDC (Chaucer centre), £102k Facilities management, £49k Client financial affairs, £42k Facilities corporate contracts.

The net change in variance from P10 of (£36k) decrease in overspend includes the following:

(£43k) increased income in Transactional services

(£62k) decrease in Security costs

(£29k) decrease in corporate cleaning costs

(£16k) decrease in civic centre repairs and maintenance costs

(£14k) decrease in energy conservation works costs

£31k increased IT service delivery costs – £21k IT licences, £10k staff costs

£28k increased staff costs within Commercial services

Corporate Governance – £108k adverse variance

The adverse variance is primarily due to an £80k overspend on agency costs - £22k within Legal Services and £58k – AD for Corporate Governance. Other adverse variances are £48k Land Charges fees, £35k overspend legal charges for Information Governance and £22k local election room hire costs.

Favourable variances helping to offset above adverse variances are (£35k) underspend in members allowances and (£66k) net increase in LBM legal services income of which (£40k) is an underspend in legal fees.

The reasons for £85k adverse movement in variance for outturn vs January include £57k increased agency costs - £30k for AD and £28k Information team; £48k increased Local land charges fees and £35k increased internal legal hard charges for Information Governance.

Resources – £85k adverse variance

This adverse variance is being partly offset by (£232k) underspend in employee costs of which (£114k) is within the Local taxation support team, Treasury and insurance (£83k) and Director of CS (£36k).

Other favourable variances include: (£170k) over achievement of income from central government for benefits administration, (£11k) net underspend in Sutton Shared Bailiff service and (£20k) underspend in the purchase card project.

Adverse variances within Resources include: £130k overspend on agency and recruitment costs within Chief Exec for new directorates staffing, £185k overspend within Corporate Accountancy of which £117k is for agency, £86k banking costs, £77k external audit fee; £93k overspend on consultancy costs for E5 upgrade, £52k overspend within Local taxation service for staff costs and £28k overspend within Budget management for agency costs.

The main reason for the favourable change in variance of (£398k) between outturn and P10 is due to (£273k) underspend in bailiff staff costs and (£141k) increase in local tax collection.

Human Resources – £354k adverse variance

This adverse variance is primarily due to £108k agency cover in place against the AD budget and £124k relating to the HR Transactions budget for the shared payroll system and iTrent client team charges from Kingston.

Additional adverse variances consist of £52k overspend on apprentices, £27k under recovery of income for Kickstart programme and £14k overspend within Occupational Health on medical fees.

The net increase in adverse variance from P10 to year end of £256k includes: £172k increase in external Payroll service cost, £63k increase in apprenticeship costs, £37k decreased income from schools buyback, £27k decreased income for Kickstart Programme, offset by (£53k) decrease in L&D staff costs.

Corporate Items - £170k adverse variance

The majority of the variance on the Corporate Items budget is due to Housing Benefit Rent subsidy net overspend of £898k, offset by favourable variances in Coroners court income overachievement of (£267k), Redundancy underspend of (£255k), Legal charges underspend of (£154k) and (£56k) income for services to CHAS during the Transitional period.

The increased adverse variance from P10 is mainly due to HB provision for bad debt.

Environment & Regeneration

Environment & Regeneration	2022/23 Current Budget £000	2022/23 Full year Outturn £000	2022/23 Outturn Variance at year end £000	Forecast Variance at year end (Jan) £000	2020/21 Outturn Variance £000
Public Protection	(15,113)	(11,611)	3,502	3,242	4,142
Public Space	18,396	19,822	1,426	279	157
Senior Management	1,256	1,295	39	54	(192)
Sustainable Communities	9,656	10,084	429	713	(675)
Total (Controllable)	14,196	19,591	5,395	4,288	3,432

Description	2022/23 Current Budget £'000	2022/23 Outturn Variance at Year End £'000	2022/23 Forecast Variance at (January) £'000	2021/22 Variance at year end £'000
Regulatory Services	710	186	211	38

Parking Services	(17,213)	3,469	3,208	4,181
Safer Merton & CCTV	1,390	(153)	(177)	(77)
Total for Public Protection	(15,113)	3,502	3,242	4,142
Waste Services	15,566	925	(80)	390
Leisure & Culture	933	(68)	37	(210)
Greenspaces	2,526	357	110	(93)
Transport Services	(630)	211	211	70
Total for Public Space	18,396	1,426	279	157
Senior Management & Support	1,256	39	54	(192)
Total for Senior Management	1,256	39	54	(192)
Property Management	11,328	109	288	(303)
Building & Development Control	192	914	814	335
Future Merton	(1,865)	(594)	(390)	(708)
Total for Sustainable Communities	9,656	429	713	(676)
Total Excluding Overheads	14,196	5,395	4,288	3,431

Overview

At the end of 2022/23 Environment & Regeneration (E&R) outturn has resulted in an adverse variance of £5.395m. The main areas of variance in order of highest variances are within Parking Services £3.469m, Waste Services £925k, Building & Development Control £914k, Property Management (£594k), Greenspaces £357k, Transport £211k, Regulatory Services £186k, Safer Merton & CCTV (£153k), Future Merton £109k, Leisure & Culture (£67k) and Senior management & Support £39k.

The change in variance between outturn and January (P10) is an increase in overspend of £1.108m of which £1m is within Waste services.

Public Protection

Regulatory Services adverse variance of £186k

The position within Regulatory Services improved between January and outturn by (£24k) net costs decrease.

The net adverse variance is made up of: (£54k) net underspend in the shared services (RSP) and for Non RSP (Merton only costs): (£11k) underspend in Licensing special funding for Welfare visits, £10k overspend on Street market electricity, £238k underachieved income.

The section has cumulative income savings of £275k relating to potential commercial opportunities which is unachievable under present conditions RSP operates to a very lean model, has recently experienced substantial changes to its leadership team, is still clearing Covid-legacy backlogs and has resources deployed to a significant systems migration, scheduled to complete in August 2023. FY23/24 will be a period of consolidation and preparation for growth activities to commence in Q4 or early in 24/25.

Parking Services - adverse variance of £3.459m

The income forecast has moved adversely by £260k since January mainly because parking permit refunds issued during the year, were all accounted for at year end. The adverse variance is being partially offset by favourable variances in parking bay suspension income, miscellaneous permit sales and RingGo charges.

The key income deficits against budget in 2022/23 are set out in the table below:

Sources of Income	Income Deficit vs Budget
Car Parks (P&D and season ticket sales)	£910k
Traffic PCNs (inc. LTNs and school streets)	£960k
Parking PCNs issued by CEOs	£440k
Visitor Permits (inc. e-permits & scratch-cards)	£380k
Resident Permits	£760k
Income lines with favourable variances (net)	(£280k)
Total income deficit	£3.17 million

In respect of expenditure, £306k of the £313k overspend on staff costs were authorised for the parking enforcement pilot. This employed 8 temporary CEOs above establishment and led to a significant increase in Parking PCN issuance and income.

Safer Merton including CCTV – favourable variance of (£153k)

Safer Merton's variance changed adversely by £24k since January, mainly due to an increase in agency staff costs within Crime & Strategy.

Reasons for net favourable variance is as follows:

£86k overspend in agency and recruitment costs

(£311k) underspend in supplies and services of which (£118k) is in grant payments and (£193k) CCTV repairs and maintenance).

£75k underachievement in income.

All underspends within CCTV were a consequence of not having the right resources in place to deliver key projects. A Project Manager is now in place and stalled programmes are now moving. Under achievements in income have now been addressed through a signed SLA with Clarion Housing.

Public Space

Waste Services – adverse variance of £925k

Comparing Period 12 to Period 10, Waste Services has seen a significant increase in the adverse variance, from £618k in Period 10 to £925k in Period 12, an increase of £307k.

The main contributors to the increase in the adverse variance have been driven by a combination of increased costs and decreased income. Non SLWP costs increased by £213k due to £39k increased staff costs and £43k increased supplies and services costs, including £17k waste containers and £14k in legal fees. These cost increases were offset slightly by a decrease of £26k in transport costs for vehicle repairs and maintenance.

Income has also been a challenge in this period, with a decrease of £113k in Street cleaning activity due to operational changes at the Wimbledon tennis period, Garth Road site rental income (£99k) that was an outstanding issue and Commercial waste recycling income (£44k) that has been re-profiled through the annual review has also decreased. The total adverse variance due to decreased income and increased costs is £1.004m since Period 10.

Furthermore, the increased Enforcement net costs of £439k, a large element associated with security arrangements involved in two major incidents, comprising of £321k decreased income (i.e., fixed penalty note income) and £115k enforcement costs, contributed significantly to the adverse variance. Enforcement costs also included £20k for Dog control, £135k for Galpins Road, both of which are of note. Overall, the service budget is delivered by the provider with no overall cost, but the budget shall need to be reprofiled to match the service costs.

In the Waste Disposal category, the net overspend was £311k against a total budget of £13.4 million and the service performed well with the service maintaining a high-level of performance and being a top 6 council in recycling performance across London.

Despite the increased costs and decreased income, it's noteworthy that the cost within Waste Services, as per actuals, is an underspend of £325k when viewed in isolation vs comparing to budget. However, the budget needs to be reprofiled and increased to match service costs.

The adverse variance in Period 12 is somewhat offset by a favourable variance on disposal costs of £379k, largely due to new favourable gate fees for food & green waste. Further favourable variances include £145k on employee related spend and £35k reduction in building improvement costs.

There remains considerable pressure on the Waste and Street Cleansing budget due to above-contract services such as the two additional fly-tipping crews and evening economy crew. This has resulted in an adverse variance of £745k for this Phase C section.

In summary, the increased adverse variance from Period 10 to Period 12 has been driven by increased costs and decreased income in various areas of Waste Services. The budgeting strategy for the coming periods will need to be closely evaluated to manage the financial pressures.

Leisure & Culture - favourable variance of (£67k)

This favourable variance of (£67k) was driven by several factors. Primarily, there was a (£30k) increase in income following a high rate of visitors to our Leisure Centres and a subsequent increase in the GLL contract management fee. Additionally, the costs associated with Leisure Centre utilities decreased by (£47k) as utility recharges were not applied until March, hence lowering the overall costs.

Conversely, some expenditures did escalate in this period. An increase of £11k was reported in premises costs, specifically due to electricity recharges for the Morden Assembly Hall.

A (£41k) decrease in supplies and services was reported, as the full spend forecast for the social initiatives project was postponed until 2023/24.

Detailing the net favourable variance there was a (£107k) overachievement in Leisure Centre income and a (£125k) underspend on staff costs. However, the service experienced an £84k overspend on Leisure Centre utilities due the surging

rise in energy costs throughout the year and a £17k overspend on premises-related costs.

The service has also reported a £60k shortfall in income, mainly due to a continued under-recovery from water sports, due to a later seasonal start in the programme from last April, and the Morden Assembly Hall due to the use of the facility to deliver vaccinations. Despite these setbacks, the overall financial situation of the division showed improvement from the last reporting period.

Greenspaces – adverse variance of £357k

The Greenspaces service reported an adverse variance of £357k, which is an increase compared to the adverse variance of £109k in Period 10.

The significant shift in the adverse variance by £247k since January is predominantly due to an increase in contract related costs, including added activity associated with tree planting.

Balancing this, there were some areas where favourable variances were observed. Events net income overachieved by (£128k), an increase from the favourable variance reported in Period 10. Tree works saw an underspend of (£56k), a notable improvement from the previous adverse variance of £17k. Also, the division reported a substantial overachievement in general income of (£1657k), much higher than the £120k that was reported in the previous period.

However, adverse variances emerged in several categories: SLWP Phase C (contract expenditure) net costs overspent by £319k; premises related costs, with a majority of this related to utilities associated with uncontrollable energy costs, overspent by £116k; staff costs overspent by £64k; and third-party payments overspent by £47k.

Furthermore, there was an underachievement in Pay & Display (P&D) income in parks and rec grounds amounting to £36k. Supplies and services overspent by £26k. Lastly, there was an overspend of £17k for HLF Canons cost not funded by the Trust. The financial position of the Greenspaces division in Period 12 was considerably impacted by increased SLWP costs and several areas of overspending and income underachievement, despite some favourable variances in events income and tree works.

Transport - adverse variance of £211k

The Transport team ended the financial period with an adverse variance of £211k, primarily driven by a overspend in Transport Operations, despite a net income in Transport Commissioning.

The significant portion of the adverse variance stems from a net overspend of £403k in Transport Operations. This is primarily due to an underachievement of income totalling £336k, which has put a substantial strain on the team's financial performance. The income targets associated with day-time income related travel has decreased significantly post-pandemic and the service is exploring further income activities and service efficiencies. Transport-related costs have also exceeded the budget by £91k. Some offsets to this overspend came from an underspend in staff costs and supplies and services, which accounted for (£13k) and (£10k) respectively.

Contrastingly, Transport Commissioning has generated a net income of (£192k). This has been achieved through efficient cost management and income generation. Staff costs observed an underspend of (£45k) and third-party payments were (£71k) less than projected. Furthermore, an overachievement of income amounted to (£133k) contributing positively to the variance. However, the overspend of £31k on transport-related costs slightly offset these favourable variances.

In summary, the adverse variance in the Transport team is largely due to the shortfall in income and slight increase in transport-related costs within Transport Operations. Despite this, there has been some mitigation through underspending and income overachievement within Transport Commissioning.

Sustainable Communities

Property Management - favourable variance of (£594k)

The variance has changed favourably by (£204k) from period 10. The movements within Property Management were primarily due to (£13k) reduced cost for Stouthall building maintenance and utilities, (£5k) not spent on Worsfold House, £15k increased premises costs for utilities, (£106k) reduced supplies & services - costs came in less than expected and (90k) increase income due to underestimated rental income.

The favourable variance is made up of £40k overspend – Stouthall, (£5k) underspend - Taylor Road, (£149k) underspend - Staff costs, £61k overspend - premises related costs, (£14k) underspend - supplies and services, (£532k) income over achievement.

Building and Development Control adverse variance of £914k

B&DC variance changed adversely by £99k since January and was due to:
BC £76k decreased income, £30k increased repairs and maintenance costs, (£11k) reduced supplies and services costs.

DC £18k increased net costs

DC enforcement (£18k) decreased costs

The net adverse variance is made up as follows:

BC £112k net overspend - staff costs (£216k) underspend, £30k overspend in repairs & maintenance and £299k underachieved income.

BC enforcement (£25k) underspend mainly in staff costs

DC £826k net overspend of which £516k is staff costs, £14k supplies and services and £126k underachievement of income

DC enforcement £164k overspend mainly on agency staff costs.

There is a corporate-led project underway for a restructure of the Building Control service. A wider review of the Development Management service in terms of the budget, the staff structure and income growth will now need to be agreed with the Director and Assistant Director of Housing and Sustainable Development.

Future Merton - adverse variance of £109k

This variance has changed favourably since January by (£179k).

The overall Future Merton variance was an overspend of £109k. There were a number of overspends and underspends within the section, including 2 very large overspends: £567k on Street Lighting energy costs (uncontrollable due to the energy crisis) and £222k on reactive maintenance due to contract inflation and an increase in works being reported via Fix my Street.

Other overspends include: £75k for Bishopsford Bridge where we incurred costs due to the ongoing litigation with FM Conway; £27k under-achievement from JC Decaux income due to delays on the installation of the digital advertising sites.

£100k under-achievement in income from Merantun Developments as we are no longer able to charge out staff costs since the company ceased. £20k overspend at Vestry Hall due to utility and security costs increasing; £184k overspend in Supplies & Services which includes £84k for Footpath Crossings covered by income, £40k on subscriptions, £27k on Flood Risk Management due to contract inflation on gully cleansing service and £21k on Traffic Signals maintenance costs which is fixed by TfL. There was a small overspend of £20k on Shop Front Improvements which is covered by grant income.

The main areas of underspend which overall mitigated the effect of the overspends noted above were: £101k underspend on staff costs, due to vacant posts, and £208k underspend on CPZs, due to a lower number of CPZs being implemented.

In addition, the team had the following over-achievements in income; £465k in Streetworks/Traffic Management Orders and £196k in CIL receipts/S106 monitoring fees.

E&R Senior Management - adverse variance of £39k

The variance changed favourably since January due to 14k decrease in postage costs.

The adverse variance is made up of:

£68k net overspend - staff costs.

(£22k) underspend - supplies and services.

Children Lifelong Learning and Families

Local Authority Budget

Local Authority					
Children, Schools and Families (£000's)	2022/23 Current Budget	2022/23 Outturn	2022/23 Outturn Var	Forecast Variance January	2021/22 Outturn Variance
CSC&YI					
Senior Management	305	378	72	-61	429
Help and Family Assessment	3,622	3,581	-41	-420	-676
Family Support and Safeguarding	4,824	5,934	1,112	942	2,019
Adolescent and Safeguarding	2,084	1,690	-394	-656	-572
Corporate Parenting	12,633	13,686	1,054	1,452	809
CSC Sub Total	23,468	25,269	1,803	1,257	2,009
Education					
Contracts, Proc & School Org	7,905	9,221	1,316	1,442	409
Early Years & Children Centres	4,077	3,841	-237	-362	-311
Education - School Improvement	178	182	3	30	-1
Education Inclusion	1,865	1,681	-185	-139	-131
Schools Delegated Budget	0	0	0	0	-3
SEN & Disability Integrat Serv	2,709	2,822	112	111	49
Senior Management	1,514	1,131	-383	-438	364
Policy, Planning & Performance	780	781	1	-7	75
Departmental Business Support	227	157	-70	-58	-57
Education SubTotal	19,255	19,816	557	579	394
Other CSF					
Cross Departmental	949	830	-120	-192	0
PFI Unitary Charges	9,529	9,529	0	0	766
Depreciation	10,178	10,178	0	0	0
Other Education Budgets	135	0	-135	0	-114
Education Services Grant	-1,062	-1,062	0	0	-12
Pensions and Redundancy Costs	1,324	868	-456	-778	-617
Other CSF Sub Total	21,053	20,343	-711	-970	23
Grand Total	63,776	65,428	1,649	866	2,426

Overview

The department ended 2022/23 with an overspend of £1.6m against the £63.7m budget (2.6%). This is a worsening of the position against the period 10 forecast of £783k, but an improvement on the 2021/22 outturn of £2.4m o/s. The majority of this adverse movement was in Children's Social Care & Youth Inclusion (£546k).

The use of agency staff continued to reduce over the year. By the end of March 2023, the department had 80 agency workers, of which 15 were grant funded and 46 were social workers. The quarterly cost of agency staff has reduced 15% over the year. Recruitment continues and we have new starters arriving over the next couple of months.

Children's Social Care and Youth Inclusion Division

Two key focusses for the year were the use of agency staff and placements costs as the main drivers of budget pressures. The number of agency workers in the division

was 53 as at March 2023, of which 5 are grant funded and 46 are social workers. This is a reduction of 16 (13.8 wte) from April. Recruitment continues and we are hopeful for recruiting more permanent social workers in the coming months. In the meantime, we are working with other London authorities to enforce the London Pledge to cap agency rates.

Placements spend was down by £410k from period 10. This is a volatile area with high unit costs, so a few cases can swing the forecast significantly. However, the Head of Service has been focussed on moving children on from expensive emergency placements in a timely manner and improving the forecasting. It is evident from the year end position compared to period 10 that the same focus and rigour needs to be applied to all service areas in CSC&YI. Whilst the code structure changes and miscoding in ITRrent caused some problems, it is clear that forecasting has not been robust enough.

The interim Assistant Director will apply the same approach that he has applied in his former service area across CSC&YI. Actions include:

- Further training on forecasting with budget holders
- Monthly budget challenge meetings with the AD, Head of Services and the Service Finance Advisor.
- Allocate additional business support to targeted budget managers.
- Targeted budget challenge meetings with the Executive Director.

Education and Early Help Division

Education & Early Help ended the year with a £557k overspend. The main factor in this is the cost of Home to School Transport. The overall pressures have been offset by managed underspends in other areas. Work is ongoing to review children in receipt of transport to ensure that they remain eligible under our revised policy. However, the cost per journey continues to rise so any savings from reviews are being offset by increased costs every time we have to go out to procure a route. The number of agency workers in the division remained stable at 18 of which 5 are grant funded.

Other CSF budgets

The outturn was of £711k underspent was £259k lower than at period 10 due to increased redundancy costs.

Agency staff in Strategy & Commissioning was stable at 9 of which 5 are short-term grant funded posts. However, a recent recruitment focus has filled all of the permanent vacancies currently filled by agency workers. These new permanent employees will be joining us over the next two months.

Dedicated Schools Budget

Children, Schools and Families (£000's)	2022/23 Current Budget	2022/23 Outturn	2022/23 Outturn Var	Forecast Variance January	2021/22 Outturn Variance
<i>Education</i>					
Contracts, Proc & School Org	286	261	-25	1	-16
Early Years & Children Centres	15,826	17,489	1,663	439	-3,348
Education - School Improvement	1,120	1,285	165	-44	-41
Education Inclusion	1,464	1,597	133	132	99
SEN & Disability Integrat Serv	24,090	32,304	8,214	8,829	13,899
Sub-total	42,786	52,936	10,150	9,357	10,593
<i>CSC & Youth Inclusion</i>					
Adolescent & Family Services	42	30	-12	-6	-8
Sub-total	42	30	-12	-6	-8
<i>Schools Delegated Budget</i>					
DSG Reserve	0	234	234	-1,200	-2
Retained Schools Budgets	2,828	2,528	-300	-1,409	-417
Schools Delegated Budget	-45,683	-48,220	-2,537	3,058	3,387
Sub-total	-42,855	-45,458	-2,603	449	2,968
DSG Total	-27	7,508	7,535	9,800	13,553

The year-end position for DSG was £10.7M. However, DfE brought forward £3.2m of its contribution which reduced the in-year position to £7.5m deficit. That brought forward contribution is a one-off benefit.

There has been a significant improvement on the 2021/22 position (£13.3m deficit) but short of the target set out in the Safety Valve programme. The actions taken have stopped the growth in activity and started to reduce it, but this is not yet translating into a commensurate reduction in costs.

Where there is an educational reason to review and change a plan, that is happening and some children have moved back in borough and back into mainstream education. However, that has not yet happened in time to impact sufficiently on the deficit. It will take time for that momentum to build as children move into planned transition points and new in-borough provision comes on stream.

Community & Housing

Overview

Community and Housing outturn position for the financial year 2022/23 is a favourable variance of £13k. This is due to a favourable variance in Adult Social Care of £770k, an unfavourable variance in Housing of £653k, and an increased unfavourable variance in Libraries of £104k. Public Health a breakeven position and Merton Adult Learning achieved a breakeven position.

The housing teams overspend is due to increase in the numbers in temporary accommodation and the subsequent delay in receiving housing benefit.

The overall favourable position is due to increased 'winter pressure' and 'hospital discharge funding' from the NHS which helped to pay for vital services. The direct

payments also worked hard to ensure that unused direct payments were recouped in line with policies and procedures. The team also focused on enhanced use of 'reablement' which resulted in increased independence and reduced the need for care packages and thus placements. There was also an underspend on employee costs which was due to lags in recruitment and the competitive pay rates in the social worker and reablement staff markets.

Community & Housing Summary Outturn Position

Community & Housing	2022/23 Current Budget £ '000	2022/23 Outturn Mar'23 £'000	2022/23 Outturn Variance Mar'23 £'000	2022/23 Forecast Variance Jan'23 £'000	2021/22 Outturn Variance £ (Mar'22)
Adult Social Care	57,925	57,155	(770)	(90)	(881)
Libraries and Heritage	2,570	2,674	104	35	105
Merton Adult Learning	18	18	0	0	0
Housing General Fund	4,149	4,802	653	629	77
Public Health	891	891	0	0	0
Total Favourable/ Unfavourable	65,553	65,540	(13)	574	(699)

Director's' Summary

The overall outturn position of Community & Housing (C&H) for 2022/23 is a favourable position of £13k. The financial year 2022/23 was an incredibly challenging year for the department in terms of inflationary uplifts, increases in hospital discharges and mental health placements coupled with the cost-of-living crisis.

This is the last year C&H will comprise of Adult Social Care, Libraries, Merton Adult Learning, Housing and Public Health as from 2023/24 the department becomes Adult Social Care, Integrated Care and Public Health.

The service areas with the most challenges during 2022/23 were Adult Social Care and Housing. This is due to increasing demand on both areas as well as clients presenting with increasing levels of complexity in adult social care.

Nationally and in Merton there is an increase in numbers of people presenting requiring temporary accommodation. The team also experienced increasing difficulty sourcing suitable accommodation in Merton due to a lack of a suitable supply to meet the needs of these residents.

To expedite the process additional capacity was added to the team to increase to facilitate a speedy move on process from temporary accommodation to permanent housing and additionally to further address this issue the department have also sourced properties from 'capital letters' to help us locate suitable housing within Merton.

Information was recently published regarding the additional funding for Adult Social Care for 2023/24. The 'Social Care Grant' is to be ringfenced for adults and children's social care. In summary the grant conditions from the Department of Health and Social Care (DHSC) states that they expect adult social care budgets to have increased by the social care grant, discharge fund, market sustainability grant, and the precept. The discharge funding is to be used by the service to increase social care capacity and be part of the Better Care Fund with the local Integrated Care Board. The DHSC expects to monitor grants via the Revenue Account (RA) return and a new reporting matrix.

Adult Social Care £770k Favourable Variance

Adult Social Care outturn is a favourable variance of £770k. This is due to additional income, winter pressures, discharge fund and underspends on staff costs.

Hospital discharge activity remained high during 2022/23 especially on pathway two which requires short-term 24-hour bed intensive support packages.

The overarching message is that most older people are healthy and an asset; however, an aging population leads to increasing complexity of need due to several long-term conditions (co-morbidities) and dementia, sensory impairment, frailty, and loneliness/isolation. The Merton Story 2021 highlighted the issues of multi-morbidity and increased complexity as people age.

Description of Pathways: -

Pathway 0- 50 % of Clients
• People discharged requiring minimal support, or interventions from health and social care services.
Pathway 1- 45% of clients
• People who are discharged and able to return home with a new, additional or a restarted package of care.
Pathway 2- 4% of clients
• People who discharged with a short term intensive support package at a 24 hour bed based setting before returning home.
Pathway 3-1% of clients
• People who require 24 hours bed based care

Comparison of Discharge Activities to March 2022 & March 2023

Discharge Activities April to March 2021/22

Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	1805	420	160	2385
Average	35	8	3	46

Discharge Activities April to March 2022/23

Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	1715	495	131	2341
Average	33	10	3	46

NB: No data on pathway zero for both years

The above tables show that overall, the average discharge levels remained the same. However, pathway two increased by 25% as compared to 2021/22 which is reflected in the number of short-term placements the service saw throughout the financial year and more importantly discharge levels remained the same as that during the covid pandemic.

Adult Social Care- Internal Provision- £458k Favourable Variance

This service favourable outturn variance was £458k which is due to several vacancies in the service due to the re-provision and redesign of the service.

Most areas of Direct Provision resulted in a reduction in non-pay costs such as building related, transport, and supply and services.

C&H-Other Services

Libraries-£104k Adverse Variance

The service outturn was an adverse variance of £104k as compared to the £34k forecasted in January.

Changes between forecast and actuals on utilities accounted for £33k of the additional spend. This is due to in year price increases and demand that was greater than expected.

Cleaning cost actuals increased by £28k compared to forecast. This is due to inflationary costs including management fee and Living Wage cost increases.

Security services overspent by £52k. This is due to inflationary costs including Living Wage along with a significant unplanned increase in security guard resource over the period of the death of the Queen. There were also underspends on salaries of £19k, third party payments £19k, travel £3k and other minor underspends.

Merton Adult Learning – Breakeven

Merton Adult Learning forecasted a breakeven position throughout the financial year and achieved a breakeven position. This service is 100% grant funded by the Greater London Authority and Education, Skills, and Funding Agency. Total grant for 2022/23 is £1.5m and is applied across an academic year.

Housing - £653k – Adverse Variance

The Housing service outturn is £653k compared to £629k reported in January after application of the homelessness prevention grant and work on securing housing benefit income.

Nationally and locally, we are seeing a sharp increase in the number of families requiring temporary accommodation. This is due to a combination of issues, such as the removal of the eviction hiatus, the cost-of-living crisis, and a general shortage of supply leading to increased rents and fewer affordable rental properties. Landlords are reporting increases in mortgage costs which is leading to higher rents. On 9th February 2023, Shelter reported that S21 No Fault Evictions by bailiffs were up 143% in the year. This led to an increase in expenditure due to the increase in temporary accommodation numbers.

In the long-term there is the added issues regarding the uncertainty surrounding the current Home for Ukraine project and expectations and availability of move on accommodation as well expected increases in homeless applications from former asylum seekers leaving home office accommodation in Merton, including people from Afghanistan.

The demand for accommodation in both the private and social housing sectors continues to exceed supply, which creates difficulties in the re-housing of households with acute housing need including those living in expensive temporary accommodation. There is an upward trend of households in TA which has also led to

an increased use of B&B. The team have however worked to move out 164 households during the year, which is more than any other year since 2018/19.

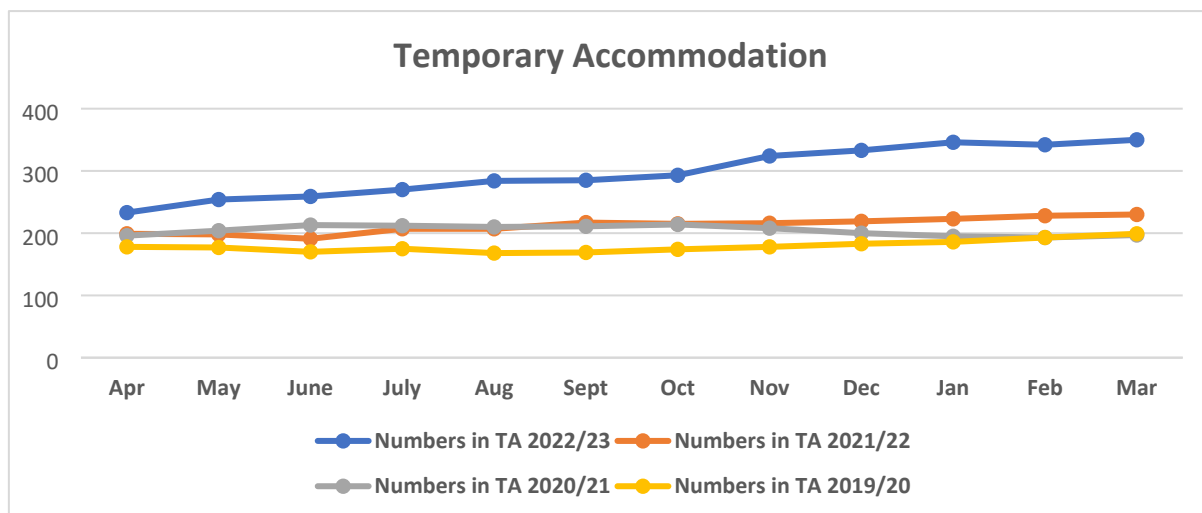
The service continues to work towards eliminating the worst form of homelessness i.e., rough sleeping in partnership with the Greater London Authority (GLA) and other statutory bodies including Adult Social Care and works closely with Faith Groups, and the private rented sector to find solutions.

The service also undertook 461 prevention activities to end of March.

Net Movement to date In Temporary Accommodation

Current Financial Years (Month' Year)	Numbers In	Numbers Out	Net Movement
Apr'22	18	15	233
May'22	28	7	254
June'22	21	16	259
July'22	19	8	270
Aug'22	26	12	284
Sept'22	20	19	285
Oct'22	23	15	293
Nov'22	40	9	324
Dec'22	16	7	333
Jan'23	27	14	346
Feb'23	17	21	342
Mar'23	29	21	350

The graph below shows number of households in Temporary Accommodation (TA) for 2022/23 compared to previous financial years



The above graph shows that the numbers in temporary accommodation increased during 2022/23 and ended at 350 which is a 52% increase since March 2022.

Analysis of Housing and Temporary Accommodation Expenditure to March 2023

Housing	Total Budget 2022/23	Outturn Mar'23	Outturn Variances Mar'23	Forecast Variances Jan'23	Outturn Variances March'22
	£000	£'000	£'000	£'000	£000
Temporary Accommodation-Expenditure	2,544	5,482	2,938	2,912	1,346
Temporary Accommodation-Client Contribution	(140)	(249)	(109)	(101)	(177)
Temporary Accommodation-Housing Benefit Income	(2,087)	(3,517)	(1,430)	(1,509)	(465)

Temporary Accommodation-Subsidy Shortfall	322	1,487	1,165	1,299	838
Temporary Accommodation-Grant	536	(1,273)	(737)	(1,916)	(1,514)
Subtotal Temporary Accommodation	1,175	1,930	755	685	28
Housing Other Budgets	2,974	2,872	(102)	(56)	49
Total Controllable (Favourable)/unfavourable Variance	4,149	4,802	653	629	77

Public Health – Breakeven position

The service achieved a breakeven position to March 2023 in terms of the overall financial position of C&H, but this is a ringfenced grant and any underspend will be carried forward to be used in this service. Underspend in 2022/23 was £591k which will be used to meet increased inflationary costs in 2023/24.

Potential Cost pressures

The service has agreed a financial position for CLCH (Central London Community Health) Integrated Sexual health services to March 2024 and a financial position for CLCH children's contract (health visitors and school nurses) to March 2023. Further negotiations are required on the financial agreement for the 2023/24 children's contracts (health visiting and school nursing), including any potential inflationary increases and managing cost pressures on service.

Section 4 Corporate Items

These budgets cover a wide range of significant areas including treasury management, provision for inflation, contingency, and contributions from government grants and use of reserves.

The summary position of corporate expenditure items is as follows:-

Corporate Items	Current Budget 2022/23 £000s	Full Year Forecast (Mar.) £000s	Forecast Variance at year end (Mar.) £000s	Forecast Variance at year end (Jan.) £000s	Outturn Variance 2021/22 £000s
Impact of Capital on revenue budget	11,066	10,886	(180)	(119)	(235)
Investment Income	(1,896)	(4,793)	(2,897)	(2,910)	(143)
Pension Fund	503	0	(503)	(393)	0
Pay and Price Inflation	388	0	(388)	(1,050)	(1,945)
Contingencies and provisions	11,556	6,124	(5,432)	(4,623)	(17,212)
Income Items	(5,723)	(5,771)	(47)	0	10
Appropriations/Transfers	4,444	6,003	1,559	(106)	1,972
Central Items	9,270	1,563	(7,707)	(9,082)	(17,318)
Levies	988	988	(0)	0	0
Depreciation and Impairment	(26,933)	(26,913)	20	0	20
TOTAL CORPORATE PROVISIONS	(5,608)	(13,475)	(7,867)	(9,201)	(17,533)
COVID-19 Emergency expenditure	0	46	46	37	235
TOTAL CORPORATE EXPENDITURE inc. COVID-19	(5,608)	(13,429)	*(7,821)	(9,164)	(17,298)

NB: Assumes net underspend of £2.393m appropriated to Reserves.

The summary position of corporate funding is as follows:-

Corporate Funding Items	Current Budget 2022/23 £000s	Full Year Forecast (March) £000s	Forecast Variance at year end (March) £000s	Forecast Variance at year end (Jan.) £000s	Outturn Variance 2021/22 £000s
Revenue Support Grant	(5,350)	(5,350)	(0)	0	0
Business Rates including Section 31 grant	(39,933)	(39,933)	(1)	0	0
Corporate Grants	(19,554)	(19,983)	(429)	(429)	(399)
Council Tax and Collection Fund	(103,973)	(103,973)	(0)	0	0
COVID-19 Government grant	(262)	(262)	0	0	1,109
Total Funding	(169,072)	(169,502)	(430)	(429)	710

Corporate budgets have been subject to regular monitoring and reporting during 2022/23 and a cautious approach has been adopted to provide cover for the risk of unfavourable variances due to the cost of living crisis and increasing inflationary pressures.

The main variances in corporate budgets are summarised in the following table:-

TOTAL CORPORATE PROVISIONS	CURRENT BUDGET 2022/23	Outturn 2022/23	Variance (Period 12 (Outturn))	Variance (Period 10)	Change Period 10 to Period 12
	£000	£000	£000	£000	£000
Main Reasons for Change:					
Investment income	(1,896)	(4,793)	(2,897)	(2,910)	12
Corporate Provision for Pay Award	(2,450)	0	2,450	2,450	0
Corporate Provision for National Minimum Wage	1,500	0	(1,500)	(1,500)	0
Provision for excess inflation	1,338	0	(1,338)	(2,000)	662
Contingency	558	0	(558)	(540)	(18)
Bad Debt provision	1,500	431	(1,069)	0	(1,069)
Revenue Funding of Capital	70	833	763	0	763
Redundancy/ Pension Strain (Net)	1,000	441	(559)	(500)	(59)
Proposed growth - Replenish reserves	750	0	(750)	(750)	0
Proposed growth - Internal Review	1,763	0	(1,763)	(1,000)	(763)
Impact of COVID-19 on income	1,143	0	(1,143)	(1,143)	0
Spend on Galpins Road pending resolution	0	2,762	2,762	3,500	(738)
Spend on Britannia pending resolution	0	1,373	1,373	0	1,373
London Living Wage Contract relets	521	0	(521)	(521)	(0)
Growth - Provision against DSG	3,017	0	(3,017)	(2,740)	(277)
Appropriations to/from Corporate Reserves	4,444	6,003	1,559	(106)	1,665
Other variations less than £500k	(187,937)	(189,981)	(2,044)	(1,834)	(210)
NET - CORPORATE BUDGETS	(174,680)	(182,931)	(8,251)	(9,593)	1,342

As indicated in the budget report to Council in March 2023, budgets in 2023/24 will be reallocated to reflect the organisational restructure into six directorates and the opportunity will be taken to address the current imbalance between corporate and departmental budgets.

Debt Report

The report on debt at year end is provided in Appendix 4

Quality of forecasting

The forecasting by department and reasons for variances is attached as Appendix 5.

Section 6 Reserves Position

This section summarises General Fund balances, schools reserves, earmarked reserves and capital reserves.

Earmarked revenue reserves are set out below in a further table.

Usable Reserves	Balance at	Transfers	Transfers	Balance at	Transfers	Transfers	Balance at
	31st Mar	out	in	31st Mar	out	in	31st Mar
	2021	2021/22	2021/22	2022	2022/23	2022/23	2023
	£000	£000	£000	£000	£000	£000	£000
General Fund:							
Balances held by schools	(11,728)	568	(392)	(11,552)	3,616	(22)	(7,958)
General Fund Balances	(14,000)	0	0	(14,000)	0	0	(14,000)
Earmarked reserves	(83,937)	23,688	(35,659)	(95,908)	20,798	(22,495)	(97,606)
Business Rates & TIG	(14,418)	29,280	(21,181)	(6,319)	524	(4,831)	(10,625)
Total General Fund	(124,084)	53,536	(57,232)	(127,780)	24,939	(27,348)	(130,189)
Capital:							
Capital Receipts Reserves (CRR)	(451)	3,448	(2,997)	0	20,318	(205,763)	(185,445)
Capital Grants Unapplied (CGU)	(25,443)	7,179	(12,785)	(31,049)	5,228	(9,189)	(35,010)
Total Capital	(30,237)	10,627	(15,782)	(31,049)	25,546	(214,952)	(220,455)
Total Usable Reserves	(92,366)	64,163	(73,014)	(158,829)	50,485	(242,300)	(350,644)

Details of Earmarked Reserves and Business Rates Reserve:

Reserve	Balance at	Net	Balance at	Transfers	Transfers	Balance at
	31st Mar	Transfer	31st Mar	out	in	31st Mar
	2021	(to)/from	2022	2022/23	2022/23	2023
	£000	Reserve	£000	£000	£000	£000
Outstanding Council Programme Board	(5,504)	3,092	(2,412)	1,448	(172)	(1,136)
For use in future years' budgets	(7,924)	(12,381)	(20,305)	10,913	(490)	(9,882)
Revenue Reserve for Capital/Revenuisation	(3,867)	3,621	(246)	246	0	(0)
Renewable energy reserve	(1,792)	0	(1,792)	110	0	(1,682)
Repairs and renewals fund	(2,090)	0	(2,090)	244	(1,001)	(2,847)
Pension fund additional contribution	(453)	453	0	0	0	0
Local land charges	(2,578)	1,777	(801)	801	(300)	(300)
Apprenticeships	(1,923)	629	(1,294)	489	0	(804)
Community care reserve	(896)	0	(896)	590	0	(306)
Local welfare support reserve	(764)	168	(595)	40	0	(555)
Corporate services reserves	(3,207)	(1,672)	(4,879)	842	(50)	(4,088)
Spending Review Reserve	(23,744)	(3,196)	(26,940)	10	(7,537)	(34,466)
COVID-19 Emergency Funding: Merton Council funding	(5,970)	5,864	(106)	0	0	(106)

Wimbledon tennis courts renewal	(150)	0	(150)	0	0	(150)
Governor support reserve	(28)	(6)	(34)	0	(5)	(39)
New Homes Bonus scheme	(122)	122	0	0	0	0
Homes for Ukraine	0	0	0	(4,411)	0	(4,411)
Adult social care grants	(3,825)	1,022	(2,803)	1,191	(526)	(2,138)
Culture & environment contributions	(194)	16	(178)	178	(393)	(393)
Culture & environment grants	(428)	3	(425)	144	(47)	(329)
Children & education grants	(343)	271	(72)	0	(523)	(595)
Housing GF grants	(866)	0	(866)	548	0	(318)
Public health grant reserve	(494)	254	(240)	0	(592)	(832)
Insurance reserves	(1,955)	0	(1,955)	0	0	(1,955)
Schools PFI fund	(6,292)	0	(6,292)	1,120	0	(5,171)
CSF Reserves	(52)	(56)	(108)	40	(4)	(71)
Business Rates & TIG– Covid-19 Adjustments Reserve	(14,418)	8,099	(6,319)	524	(4,831)	(10,626)
COVID-19: Year end balances	(4,979)	(1,837)	(6,816)	1,651	(262)	(5,427)
Civic Pride Fund	(1,000)	(1,764)	(2,764)	760	(159)	(2,163)
Voluntary Sector Support	(500)	(302)	(802)	0	0	(802)
Climate Change Reserve	(2,000)	(1,550)	(3,550)	842	(639)	(3,347)
Cost of Living Reserve	0	(2,000)	(2,000)	1,000	(401)	(1,401)
Income Loss Protection Reserve	0	(2,500)	(2,500)	2,000	(7,000)	(7,500)
Strategic Priorities Fund	0	0	0	0	(2,392)	(2,392)
Inflation Protection Reserve	0	(2,000)	(2,000)	0	0	(2,000)
Grand Total	(98,355)	(3,872)	(102,228)	21,322	(27,326)	(108,232)

Section 7 CAPITAL

Outturn and Budget Management

The table (a) below shows that Total Capital Expenditure for 2022/23 is £21.8 million compared to the total projected by budget managers in November 2022 of £29.9 million (this equates to a negative variance of 21.0%). November is used for capital variances due to the funding decisions taken at this time for balancing the revenue budget.

Department	November Budget Monitoring 2022-23	December 2022 & January 2023 Monitoring	Final Budget 2022-23	Final Outturn 2022-23	Outturn Variance to Final 2022-23 Budget	November Forecast For Year	% Variance to November Forecast
Column	(1)	(2)	(3)	(4)	(5)	(6)	(8)
			(1)+(2)		(4)-(3)		(7)/(6)
Corporate Services	7,014,760	529,020	7,543,780	5,274,898	(2,268,882)	7,014,410	(46.50)
Community and Housing	1,095,330	73,360	1,168,690	1,014,028	(154,662)	1,095,330	(9.70)
Children, Schools & Families	9,092,470	165,000	9,257,470	8,268,011	(989,459)	9,091,930	(7.67)
Environment & Regeneration	12,771,610	(198,000)	12,573,610	8,808,176	(3,765,434)	12,709,947	(21.23)
Total	29,974,170	569,380	30,543,550	23,365,114	(7,178,436)	29,911,617	(20.95)

Appendix 2a provides additional information on the individual variances on schemes.

Officers are currently finalising the expenditure on two schemes Melrose Expansion, and Bishopsford Bridge these schemes are funded by SCIL.

Movement in the Funding of the 2022/23 Capital Programme

In funding the Capital Programme for budget setting finance officers reduce budget manager estimates to overcome their optimism bias. As part of the Business Planning Process for 2023-27 finance officers reduced the estimated outturn for 2022-23 from £29.9 million to £24.0 million. The table below summarises how we propose to fund this spend.

Capital Expenditure	2022/23 Estimate £000 (1)	Actual 2022/23 (2)	Variance	Narrative
Capital Expenditure Budget/ Managers Forecasts P8	29,911,617	23,365,114	(6,546,504)	(1) Budget at November 2022 P8 (2) Budget Managers Forecast for November 2022 (P8)
Projected and Actual Difference to Outturn	(5,857,767)	0		
Total MTFS Projected and Actual Capital Expenditure	24,053,850	23,365,114	(688,737)	(1) Forecast Outturn MTFS (2) Outturn 2022-23
Financed by:				
Capital Receipts	3,134,600	5,796,868	2,662,268	The Authority received a large capital receipt for right to buy properties from Clarion in the later quarters of the financial year – this was notified after the budget papers were despatched to Cabinet
Capital Grants & Contributions	14,228,890	13,735,714	(493,176)	
Revenue Provisions	708,370	833,021	124,651	
Net financing need for the year	5,981,990	2,999,510	(2,982,480)	Comprises the Revenue Reserve for Capital, revenue contributions and the OCPB Reserve

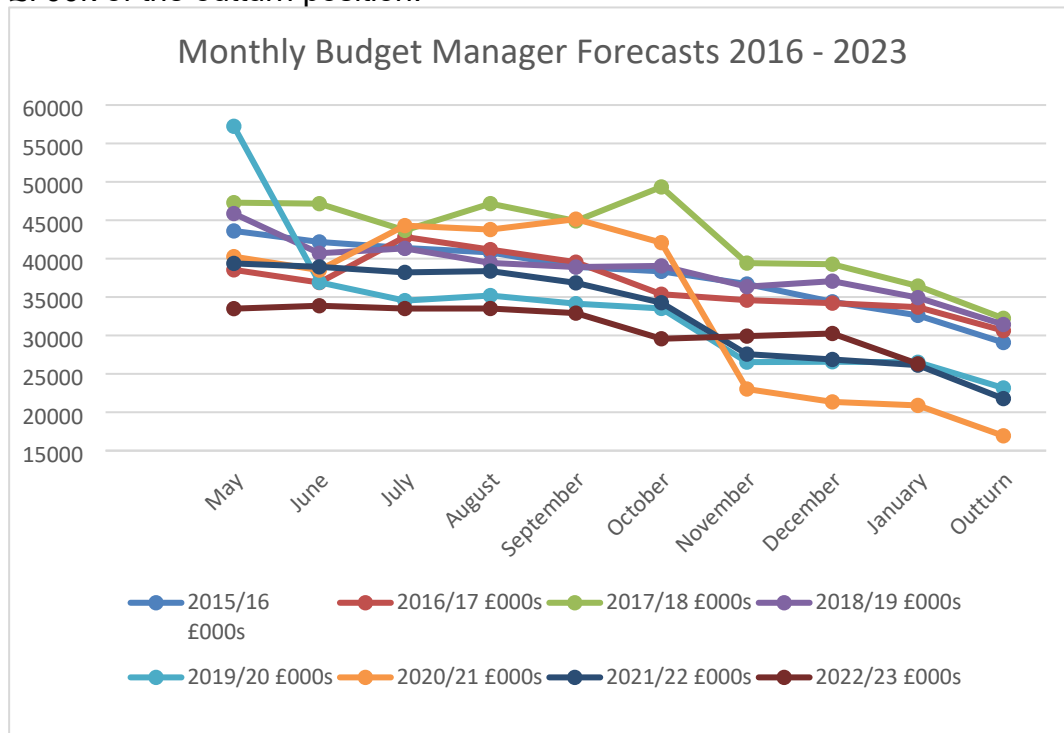
Movement in the 2022/23 Original Approved Programme

The Capital Programme for 2022/23 as approved in March 2022 was £32.6 million. Subsequently, slippage from 2021/22 of £9.9 million was added, and new funding of £7.4 million giving an effective opening programme of £50.1 million. However, during the financial year there was a net reduction in the overall programme mainly from budget being re-profiled into subsequent financial years. These movements are shown in Table (b) below. When final capital outturn is compared to the original capital programme the total slippage is 38%.

Depts.	Original Budget 22/23	Net Slippage 2022/23	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 22/23
Corporate Services	8,522	5,454		622	161	(7,215)	7,544
Community & Housing	2,530	87		255	50	(1,753)	1,169
Children Schools & Families	6,441	888	422	3,230	165	(1,869)	9,277
Environment and Regeneration	15,118	3,489	(314)	1,731	1,225	(8,695)	12,553
Total	32,611	9,919	108	5,838	1,600	(19,532)	30,543

Capital - Monthly Managers Forecast Spend to Outturn

The graph below shows the monthly forecasting by managers of the outturn spend on capital over the last 5 years. The forecasting trend during 2022/23 followed the pattern of previous years and there was a continuing problem with the quality of forecasting around November when the Medium Term Financial Strategy is being prepared. The overestimate in spending feeds through into an overestimate of the budget for capital charges in the following year. It should be noted that centrally finance officers adjust the total projected capital spend from departments downwards for optimism bias when funding the programme. This year the outturn estimate for funding purposes was reduced to £24.0 million, this estimate was within £700k of the outturn position.



Considerable time was spent with budget managers profiling their budgets in 2022-23 this work will continue in 2023-24.

The Level of Re-Profiling / Slippage from 2022/23

The table below summaries management proposals for treatment of slippage and overspends from the 2022/23 programme this is detailed in Appendix 2b.

Department	Total Year End Variance 2022/23	Recommend Accept Slippage incl. Slippage	Justification Required	Surrender/ Lease/Loan	Funded from Reserves etc	Bring Forward from 2023/24	Total Adjustments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Corporate Services	(2,269)	2,438	0	37	0	(206)	2,268
Community and Housing	(155)	150	0	5	0	0	155
Children, Schools & Families	(989)	1,333	0	0	(*) (45)	(299)	989
Environment & Regeneration	(3,765)	3,775	0	354	0	(363)	3,766
Total	(7,178)	7,696	0	396	(45)	(868)	7,179

* This relates to the funding of Merton Hall contract final account assessment by the Quantity Surveyor (QS), the project has to be funded by SCIL rather than grant for Capital Maintenance or High needs. There are currently savings within the SEN expansion programme (Perseid & Cricket Green) to offset the SCIL drawdown.

After offsetting minor under and overspends within the programme, 24 schemes require clawback of budget from 2023-24 (£867k) these schemes are identified individually in Appendix 2b. This timing difference in spending and budget provision has been offset by bringing forward £867k from future year's budget.

Revised Capital Programme 2023-27: Appendices 2c and 2c1 provide details of the proposed movements in the approved Capital Programme 2023-27 for approval, this position is summarised in the tables below:

Summary	Original Budget	Slippage from 2022-23 to 2023-24 BS	Clawback to Fund 2022-23	Reprofiled to/from Future Years	New 2023-24	Revised Budget
Corporate Services	22,220,820	2,266,400	(205,350)	(179,000)	0	24,102,870
Community and Housing	5,952,000	149,990	0	0	0	6,101,990
Children Schools & Families	8,033,120	1,332,940	(298,670)	(3,260,000)	1,065,110	6,872,500
Environment and Regeneration	16,479,240	3,288,450	(362,330)	(2,014,410)	3,012,040	20,402,990
Total	52,685,180	7,037,780	(866,350)	(5,453,410)	4,077,150	57,480,350

Additional detail provided in Appendix 2c.

Proposed Revisions 2024-25

Summary	Original Budget 2024-25	Reprofiling	Revised Budget 2024-25
Corporate Services	8,935,000	(409,840)	8,525,160
Community and Housing	11,442,000	(5,090,000)	6,352,000
Children Schools & Families	8,737,010	3,260,000	11,997,010
Environment and Regeneration	14,487,000	(68,920)	14,418,080
Total	43,601,010	(2,308,760)	41,292,250

Proposed Revisions 2025-26

Summary	Original Budget 2025-26	Reprofiling	Revised Budget 2025-26
Corporate Services	3,580,000	(150,000)	3,430,000
Community and Housing	16,452,000	140,000	16,592,000
Children Schools & Families	3,478,850	0	3,478,850
Environment and Regeneration	33,613,000	1,645,000	35,258,000
Total	57,123,850	1,635,000	58,758,850

Proposed Revisions 2026-27

Summary	Original Budget 2026-27	Reprofiling	Revised Budget 2026-27
Corporate Services	12,697,070	909,190	13,606,260
Community and Housing	9,684,860	4,950,000	14,634,860
Children Schools & Families	3,400,000	0	3,400,000
Environment and Regeneration	10,169,000	95,000	10,264,000
Total	35,950,930	5,954,190	41,905,120

Additional detail provided in Appendix 2c1

Funding the Budgeted Capital Programme 2023-27: The Table below summarises the funding of the budgeted capital programme 2023-27, additional departmental detail is contained within Appendix 2d

Description of Funding	2023-24	2024-25	2025-26	2026-27
Strategic CIL	(6,471,692)	(5,087,099)	(7,595,140)	(3,720,000)
Neighbourhood CIL	(1,557,114)	0	0	0
Section 106	(4,926,480)	(50,000)	(1,728,000)	0
Revenue Contributions	(1,530,530)	(1,504,407)	(155,000)	(120,000)
Clarion CPO Contribution	(13,933,650)	0	0	0
School Contributions	(363,763)	0	0	0
Lawn Tennis Assoc.	(708,650)			
Other Contributions	(150,000)			
Transport for London	(1,722,630)	0	0	0
School Condition Grant	(3,425,187)	(2,500,000)	(2,500,000)	(2,500,000)
High Needs Provision Grant	(1,941,710)	(8,985,571)	0	0
Devolved Formula Capital	(353,120)	0	0	0
Disabled Facilities Grant	(879,630)	(827,000)	(827,000)	(309,860)
Salix Grant	(2,081,000)	(1,055,593)	0	0
Other Ringfenced Grants	(528,055)	0	0	0
Capital Receipts	(900,000)	(900,000)	(500,000)	(500,000)
Borrowing	(16,007,139)	(20,382,580)	(45,453,710)	(34,755,260)
Total	(57,480,350)	(41,292,250)	(58,758,850)	(41,905,120)

8 CONSULTATION UNDERTAKEN OR PROPOSED

8.1 All relevant bodies have been consulted.

9 TIMETABLE

9.1 In accordance with current financial reporting timetables.

10. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

10.1 All relevant implications have been addressed in the report.

11. LEGAL AND STATUTORY IMPLICATIONS

11.1 All relevant implications have been addressed in the report.

12 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

12.1 Not applicable

13 CRIME AND DISORDER IMPLICATIONS

13.1 Not applicable

14. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

Appendix 1	Corporate items
Appendix 2A	Capital Programme Outturn Position 2022/23
Appendix 2B	Proposed Budget to be Slipped to 2022/23
Appendix 2C&C1	Current Capital Programme 2023-27 including Slippage
Appendix 2D	Funding the Budgeted Capital Programme 2023-27
Appendix 3	Debt Report

16 BACKGROUND PAPERS

16.1 Budgetary Control files held in the Corporate Services department.

17. REPORT AUTHOR

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APPENDIX 1

3E. Corporate Items	Council 2022/23 £000s	Current Budget 2022/23 £000s	OUTTURN Actual (Mar.) £000s	OUTTURN Variance at year end (Mar.) £000s	Forecast Variance at year end (Jan.) £000s	Outturn Variance 2021/22 £000s
Impact of Capital on revenue budget	11,066	11,066	10,886	(180)	(119)	(235)
Investment Income	(396)	(1,896)	(4,793)	(2,897)	(2,910)	(143)
Pension Fund	503	503	0	(503)	(393)	0
Corporate Provision for Pay Award	3,468	(2,450)	0	2,450	2,450	(195)
Corporate Provision for National Minimum Wage	1,500	1,500	0	(1,500)	(1,500)	(1,500)
Provision for excess inflation	2,500	1,338	0	(1,338)	(2,000)	(250)
Pay and Price Inflation	7,468	388	0	(388)	(1,050)	(1,945)
Contingency	1,500	558	0	(558)	(540)	(488)
Bad Debt Provision	1,500	1,500	431	(1,069)	0	(2,397)
Loss of income arising from P3/P4	400	400	0	(400)	(400)	(200)
Loss of HB Admin grant	23	23	0	(23)	0	(23)
Apprenticeship Levy	450	450	230	(220)	(201)	(69)
Revenuisation and miscellaneous	6,028	5,608	5,462	(146)	(743)	(3,153)
Growth - Provision against DSG	10,543	3,017	0	(3,017)	(2,740)	(10,882)
Contingencies and provisions	20,444	11,556	6,124	(5,432)	(4,623)	(17,212)
Other income	0	0	(31)	(31)	0	10
CHAS IP/Dividend	(2,223)	(5,723)	(5,740)	(17)	0	0
Income items	(2,223)	(5,723)	(5,771)	(47)	0	10
Appropriations: CS Reserves	(2,167)	(1,741)	(1,741)	0	0	0
Appropriations: E&R Reserves	(1,314)	(1,519)	(1,519)	0	0	0
Appropriations: CSF Reserves	(300)	(629)	(629)	0	0	0
Appropriations: C&H Reserves	(104)	2,095	2,095	0	0	0
Appropriations: Public Health Reserves	(93)	56	56	0	0	0
Appropriations: Corporate Reserves	(8,636)	6,182	7,741	1,559	(106)	1,972
Appropriations/Transfers	(12,615)	4,444	6,003	1,560	(106)	1,972
Depreciation and Impairment	(25,593)	(26,933)	(26,913)	20	0	20
Central Items	(1,347)	(6,596)	(14,464)	(7,867)	(9,201)	(17,533)
					0	
Levies	988	988	988	(0)	0	0
TOTAL CORPORATE PROVISIONS	(359)	(5,608)	(13,475)	(7,867)	(9,201)	(17,533)
COVID-19 Emergency expenditure	0	0	46	46	37	235
TOTAL CORPORATE EXPENDITURE inc. COVID-19	(359)	(5,608)	(13,429)	*(7,821)	(9,164)	(17,298)

NB: * Assumes Net underspend of £2.392m appropriated to reserves.

Capital Outturn Position 2022-23

Cost Centre	Project General	Budget	Outturn	Variance	Reason for underspend and justification of any sums for slippage
Customer Contact Programme	Spectrum Spatial Analyst Repla	170,000	262,066	92,066	
Customer Contact Programme	Robotics Process Automation	110,000	0	(110,000)	Delay in other projects (by Infosys) lead to delayed start.
Customer Contact Programme	Web Content Management System	53,810	31,000	(22,810)	Work now completed - can return budget.
Customer Contact Programme	Customer Contact - Portal	187,500	35,928	(151,572)	Delayed pending business decision
Customer Contact Programme	Customer Contact - Complaints	160,000	56,519	(103,481)	Delayed delivery (Infosys) payments held.
Customer Contact Programme	Cust Contact - Digital Strategy	118,000	8,715	(109,285)	Project delivered over 3 years.
Customer Contact Programme	Replace TKDialogue	57,500	473	(57,027)	Delay in other projects (by Infosys) lead to delayed start. Will be completed this FY.
Customer Contact Programme	M365 Tools - PowerBI	168,000	60,123	(107,877)	2 year project - partially delivered.
Customer Contact Programme	Fix My Streets	50,000	50,846	846	
Customer Contact Programme	Transport Management System	150,000	27,532	(122,468)	Delayed pending business decision, tender due out Q1 2023
Customer Contact Programme	Virtual Desktop	82,600	87,123	4,523	
Customer Contact Programme	Data Security and Control	289,700	272,051	(17,649)	IT Transformation Projects being delivered within IT Service Delivery which will continue
Customer Contact Programme	Improve End User Devices	235,700	242,066	6,366	in 2023-24
Customer Contact Programme	Active Directory	53,100	56,238	3,138	
Works to other buildings	Morden Park House Courtyard	160,520	152,049	(8,471)	Scheme complete
Works to other buildings	Capital Building Works	618,000	592,575	(25,425)	Full commitment in place but unable to receipt or accrue.
Works to other buildings	Boiler Replacement	12,050	8,972	(3,079)	Scheme on-going
Civic Centre	Project General	32,000	31,997	(3)	
Civic Centre	Civic Centre Lightning Upgrade	300,000	4,985	(295,015)	£90k to be used on lighting for Civic Centre refurbishment (floors 1 & 7) - committed. £210k to be moved and spread over next 2 years to cover remaining Civic Centre floor refurbishment. Order for lighting has been placed on 00000000 - £90k
Civic Centre	Work Place Design	473,000	243,879	(229,121)	Refurbishment scheme on-going - fully committed
Invest to Save schemes	Project General	609,750	379,610	(230,140)	LED Replacement scheme commenced and on going
Invest to Save schemes	De-Carbonisation Scheme	206,920	206,920	(0)	
Business Systems	Aligned Assets	75,000	37,081	(37,920)	May need the Data Interoperability Extension to integrate addresses with GIS
Business Systems	Environmental Asset Management	0	39,023	39,023	
Business Systems	Capita Housing	48,100	12,165	(35,935)	2 year project - partially delivered. Phase 6 scheduled for 2023/24
Business Systems	Children's Safeguarding	125,000	0	(125,000)	Delayed pending business decision
Business Systems	Planning&Public Protection Sys	100,000	34,559	(65,441)	Delayed pending business decision. Part of re-procurement of M3 systems.
Business Systems	Spectrum Spatial Analyst Repla	0	0	0	
Business Systems	Regulatory System	28,640	81	(28,559)	Delayed by re-procurement of M3. Due 2023/24
Business Systems	Parking System	0	11,295	11,295	
Business Systems	Ancillary IT Systems	50,000	16,396	(33,604)	Spread over 2 years
Business Systems	Payroll System	156,200	129,133	(27,067)	Delayed by business/supplier (Midland HR), due to be completed by June 2023
Social Care IT System	Mosaic ASC Changes	120,000	111,759	(8,241)	Carry forward for year 2 changes. Delivered in agile manner, prioritised by the business.
Social Care IT System	EHCP Hub	64,000	17,837	(46,163)	Delayed pending business decision. Proposed solution not fit for purpose.
Social Care IT System	Mosaic Finance Integration	27,000	12,450	(14,550)	Partially delivered in year 1, delayed by scope agreement, rest delivered in year 2
Social Care IT System	Transition Tracker	35,000	3,491	(31,509)	Initial phase delivered by in-house resource as part of their training, further development may incur 3rd party costs.
Social Care IT System	Insights to Intervention	15,000	63,113	48,113	
Social Care IT System	SEN Transport Allocation	20,000	0	(20,000)	Merged with Transport Management System procurement
Disaster recovery site	Project General	0	0	0	
Disaster recovery site	Disaster recovery	94,080	88,525	(5,555)	Scheme complete
Planned Replacement Program	Project General	1,029,820	106,505	(923,315)	Net Difference of £292k. £125k committed for Network Switches (delay in getting the equipment into the Country). Slippage required to cover this and the rest of the scheme expenditure and the POs committed for the IT equipment for the refurbishment of 1st and 7th floor (see tab 2)
Planned Replacement Program	Network Switch Upgrade	200,000	0	(200,000)	
Planned Replacement Program	IT Equipment	0	830,564	830,564	
Acquisitions Budget	Project General	469,050	469,860	810	
Westminster Ccl Coroners Cou	Project General	588,740	479,394	(109,346)	Legal committed to this scheme being driven by an outside organisation
	Total Corporate Services	7,543,780	5,274,898	(2,268,882)	

Capital Outturn Position 2022-23

Cost Centre	Project General	Budget	Outturn	Variance	Reason For Variance
Disabled Facilities Grant	Project General	1,054,000	1,001,372	(52,628)	Drawdown unpredictable as driven by homeowner
Disabled Facilities Grant	Merton Owned Property	12,330	12,324	(6)	
Major Library Projects	Library Self Service	5,000	332	(4,668)	Scheme finished and remaining budget to be relinquished
Major Library Projects	Creation Digital Maker Space	73,360	0	(73,360)	Ringfenced grant received in last months of 23-24
Libraries IT	Library Management System	24,000	0	(24,000)	Project was due to be completed in 23/24 but has slipped due to supplier performance. The new website solution is expected to go live in May 2024 and budget needs to be carried over.
Total Community and Housing		1,168,690	1,014,028	(154,662)	

Cost Centre	Project General	Budget	Outturn	Variance	Reason For Variance
Hollymount	Schools Capital maintenance	55,000	8,907	(46,093)	
West Wimbledon	Schools Capital maintenance	140,000	131,294	(8,706)	
Hatfield	Schools Capital maintenance	120,090	74,849	(45,241)	
Hillcross	Schools Capital maintenance	186,000	181,941	(4,059)	
Joseph Hood	Schools Capital maintenance	53,000	5,575	(47,425)	
Dundonald	Schools Capital maintenance	10,000	12,334	2,334	
Garfield	Schools Capital maintenance	0	0	0	
Merton Park	Schools Capital maintenance	0	230	230	
Putnam	Schools Capital maintenance	110,000	98,813	(11,187)	
Poplar	Schools Capital maintenance	40,000	39,983	(17)	Ringfenced grant - programme has slipped to that forecast during November 2022
Wimbledon Chase	Schools Capital maintenance	210,000	131,334	(78,666)	Monitoring
Wimbledon Park	Schools Capital maintenance	130,030	96,181	(33,849)	
Abbotsbury	Schools Capital maintenance	127,000	123,798	(3,202)	
Malmesbury	Schools Capital maintenance	47,000	44,479	(2,521)	
Morden	Schools Capital maintenance	75,000	16,221	(58,779)	
Bond	Schools Capital maintenance	46,000	47,791	1,791	
Crammer	Schools Capital maintenance	250,830	234,743	(16,087)	
Gorringe Park	Schools Capital maintenance	55,500	59,147	3,647	
Haslemere	Schools Capital maintenance	304,040	287,796	(16,244)	
Liberty	Schools Capital maintenance	0	(432)	(432)	
Liberty	Immersive Learning Centre	80,490	68,789	(11,701)	Neighbourhood CIL Funded scheme
Links	Schools Capital maintenance	98,000	98,518	518	
Singlegate	Schools Capital maintenance	105,000	106,318	1,318	
St Marks	Schools Capital maintenance	45,060	44,005	(1,055)	Ringfenced grant - programme has slipped to that forecast during November 2022
Lonesome	Schools Capital maintenance	171,000	159,557	(11,443)	Monitoring
Sherwood	Schools Capital maintenance	110,150	39,845	(70,305)	
William Morris	Schools Capital maintenance	33,020	377	(32,643)	
Harris Academy Morden	Harris Morden Sport Com Pitch	135,000	135,000	0	
Harris Academy Merton	Schools Capital maintenance	34,170	0	(34,170)	
Raynes Park	Schools Capital maintenance	74,000	37,207	(36,793)	
Ricards Lodge	Schools Capital maintenance	15,200	15,565	365	
Rutlish	Schools Capital maintenance	15,200	302,293	287,093	
Harris Academy Wimbledon	Scheme 4 New School Extra 6fe	14,940	59,746	44,806	Ringfenced grant - programme has slipped to that forecast during November 2022
Perseid	Schools Capital maintenance	240,360	212,842	(27,518)	Monitoring
Perseid	Perseid School Expansion	9,130	0	(9,130)	
Cricket Green	Schools Capital maintenance	0	0	0	
Cricket Green	Cricket Green School Expansion	39,040	0	(39,040)	
Melrose	Schools Capital maintenance	167,000	163,077	(3,923)	

Capital Outturn Position 2022-23

Cost Centre	Project General	Budget	Outturn	Variance	Reason For Variance
Melrose	Melrose School Expansion	422,000	382,211	(39,789)	Ringfenced grant - programme has slipped to that forecast during November 2022 Monitoring
Melrose Whatley Ave SEN	Schools Capital maintenance	106,080	0	(106,080)	
Melrose Whatley Ave SEN	Whatley Avenue	2,972,940	2,853,962	(118,978)	
Melbury College - Smart Centre	Schools Capital maintenance	155,000	143,627	(11,373)	
Perseid Lower	Perseid School Expansion	20,000	0	(20,000)	
Medical PRU	Medical PRU Expansion	431,700	371,369	(60,331)	
Mainstream SEN (ARP)	Stanford Primary ARP	0	1,394	1,394	
Mainstream SEN (ARP)	Raynes Pk Sch ARP expansion 1	5,000	0	(5,000)	
Mainstream SEN (ARP)	Cranmer Primary School New ARP	40,000	25,536	(14,464)	
Mainstream SEN (ARP)	West Wimb Primary ARP expansion	190,000	170,298	(19,702)	
Mainstream SEN (ARP)	Hatfield Primary ARP expansion	187,910	167,597	(20,313)	
CSF Safeguarding	Children's Safeguarding	165,000	0	(165,000)	This provided for a Foster carer to buy a house to enable a child to remain in the home. The house fell through at short notice in March so the money could not be spent
CSF Safeguarding	Care Leavers Living Accom	66,000	2,890	(63,110)	It was expected this work could be undertaken in February and March 2023; there were moderate delays but the works are now contracted to spend in April and May 2023
Devolved Formula Capital	Devolved Formula Capital	1,081,990	1,081,989	(1)	
Children's Centres	Bond Road Family Centre	25,000	21,037	(3,963)	We are in the middle of a contract and the estimate of spend in 2022/23 was relatively accurate but not 100%
Children's Centres	Family Hubs	15,000	0	(15,000)	Ringfenced grant awarded late in the financial year
Youth Provision	Pollards Hill Digital Divide	27,600	7,982	(19,618)	Much of the cost was estimated for 23/24 and there was a moderate difference in the 22/23 costs due to delays in the planning application process
	Children Schools & Families	9,257,470	8,268,011	(989,459)	

Capital Outturn Position 2022-23

Cost Centre	Project General	Budget	Outturn	Variance	Reason For Variance
On Street Parking - P&D	Pay and Display Machines	300,000	201,167	(98,833)	Project completion has been slow due to delays in decisions regarding machine removal. Leading Members endorsed the removal of 89 machines on 26th April, with a final phase of removals to be agreed in July. Completion of this project is expected by December 2023.
On Street Parking - P&D	ANPR Cams Air Qual & Traf Sens	86,000	85,421	(579)	
Off Street Parking - P&D	Pay and Display Machines	0	0	0	
Off Street Parking - P&D	Car Park Upgrades	100,000	173,072	73,072	Essential works undertaken to be funded from budget in 2023-24
Off Street Parking - P&D	Peel House Car Park	0	55,444	55,444	Essential works undertaken to be funded from budget in 2023-24
CCTV Investment	CCTV cameras & infast upgrade	200,000	112,511	(87,489)	Procurement of consultant (to advise on upgrades and how new investment dovetails with dark fibre work) has taken longer than anticipated and was appointed in Mar 23. Slippage required to fund this work at a cost of £77k. Minor works in Mitcham costing £5.5k to be funded by slippage. Major spend to start in 23-24 with consultants involvement.
CCTV Investment	Rapid Response Cameras	54,100	11,524	(42,576)	To purchase 4 more cameras. Market testing first, installing trial camera in March. Decision on camera specification in April after trial
CCTV Investment	Willow Ln Bridge Improvements	11,760	12,253	493	
Public Protection and Developm	Designing Out Crime for ASB	50,000	0	(50,000)	Cameras ordered in Dec 22 to be installed in specific hot spot locations to improve the safety of females.
Alley Gating Scheme	Project General	46,000	4,000	(42,000)	Rialto Rd/Priestley Rd scheme was delayed due to legal requirement for further informal consultation to enable the PSPO that will enable the legal gating of the PROW
Waste SLWP	Waste Bins	0	0	0	
Waste SLWP	Replacement of Fleet Vehicles	340,000	338,432	(1,568)	
Street Trees	Street Tree Programme	60,000	54,804	(5,196)	
Street Trees	New street tree planting prog	43,990	32,056	(11,934)	Trees purchased but not all planted yet. Expect to be complete early in financial year.
Street Trees	Harris & Hi Path Street Trees	50,000	0	(50,000)	Locations for tree planting proved difficult to identify. Further work required to establish the way forward to ensure the S106 requirements are met.
Raynes Park Area Roads	Raynes Park Station Pub Realm	43,500	10,310	(33,190)	Network rail permissions have delayed this S106 funded scheme.
Highways & Footways	Street Lighting Replacement Pr	290,000	289,560	(440)	
Highways & Footways	Accessability Programme	146,380	75,834	(70,546)	TfL budget - carry over agreed as schemes still in progrrees at year end.
Highways & Footways	Casualty Reduction & Schools	169,000	146,881	(22,119)	TfL budget - carry over agreed as schemes still in progrrees at year end.
Highways & Footways	Traffic Schemes	150,000	148,028	(1,972)	
Highways & Footways	Surface Water Drainage	100,000	100,004	4	
Highways & Footways	Repairs to Footways	966,310	1,057,407	91,097	Overspend due to contract inflation
Highways & Footways	Maintain AntiSkid and Coloured	60,000	0	(60,000)	Works put on hold. Underspend to be use to fund overspends on footway and carriage way works
Highways & Footways	Borough Roads Maintenance	1,200,000	1,258,110	58,110	Overspend due to contract inflation
Highways & Footways	Highways bridges & structures	600,000	113,329	(486,671)	West Barnes Footbridge (£70K) – Network Rail originally granted possessions for work to be done on their land in March. They have now changed this to April/May. Streatham Rd (£140k) retaining wall – works delayed due to decisions regarding removal of trees to facilitate works. Carshalton Rd bridge (£200k) – construction delayed as we were not able to secure possessions on Network Rail land. These are in place for mid-April. Burlington Rd Bridge (£500k) was anticipated that some of these works would commence in 22-23. Options still be assessed due to complex utility diversions.
Highways & Footways	Culverts Upgrade	300,000	2,220	(297,780)	Mitcham Rd culvert (£80k) – EA permit required to carry out work, yet to be granted. EA have made numerous requests for additional technical information. Seely Rd culvert (£210k) – contractor resource issues; FM Conway have not progressed the detailed investigations required to enable the full design of the scheme
Highways & Footways	ZZ3233 - High Path School Harr	14,330	14,337	7	

Capital Outturn Position 2022-23

Cost Centre	Project General	Budget	Outturn	Variance	Reason For Variance
Highways & Footways	Bishopsford Bridge	291,100	244,607	(46,493)	Underspend may not be required. However, we still have not had the final bill from Thames Water for their diversions. This has been chased many times since the project was complete 2 years ago.
Highways & Footways	Lamp Column Chargers	760,230	332,980	(427,250)	ORCS funded, carry over agreed. Contractor works delayed following consultation process to identify and agree locations for new EV charging points
Highways & Footways	Cycle Lane Rdway Bshfd Bridge	5,910	3,513	(2,397)	
Highways & Footways	ANPR Cameras School Streets	219,110	225,688	6,578	Scheme progressed faster than envisaged during November 2022 Monitoring
Highways & Footways	Street Lighting Wimbledon	322,280	322,720	440	
Highways & Footways	S Wimb Bus Area Wayfinding	135,360	7,700	(127,660)	NCIL grant for wayfinding at SWBA. Planning permission for signage works submitted in Nov 22, was not granted in time for works to commence in 22-23.
Highways & Footways	Motspur Pk Stat Access for All	190,000	0	(190,000)	First payment of £276k (to Network Rail) delayed to April 2023 as 2022-23 budget was insufficient to pay this amount. In hindsight we could have brought forward £86k of funding from 23-24.
Highways & Footways	Milner Rd Improvements	140,000	17,668	(122,332)	Scheme delayed as the scaffolding is still in place at the Madison Heights development. (Storm damage and Spur House H&S part cause of delay) Budget insufficient so top up requested from Civic Pride.
Cycle Route Improvements	Cycle Improve Residential Stre	236,560	198,989	(37,571)	TfL budget - carry over agreed as schemes still in progress at year end.
Cycle Route Improvements	Cycle Lane Works Plough Lane	203,970	203,980	10	
Cycle Route Improvements	Morden Park Cycle Path	160,110	160,126	16	
Mitcham Area Regeneration	Canons - Parks for People	515,450	243,619	(271,831)	Capital element of the scheme has been finished budget relinquished
Mitcham Area Regeneration	Elmwood Centre Hub	65,000	0	(65,000)	NCIL grant to Age Concern. They need to secure additional funding to progress the project and it will not commence until 2023-24
Mitcham Area Regeneration	New Horizon Centre	68,500	41,036	(27,464)	NCIL grant to Commonside Community Development Trust. They need to submit final project information and evidence of spend before we pay final instalment of grant.
Mitcham Area Regeneration	Springboard SMCA	0	790	790	
Wimbledon Area Regeneration	Polka Theatre	20,180	20,178	(2)	
Wimbledon Area Regeneration	Wimb Public Realm Implement	170,000	1,977	(168,023)	The plan was to divert funding to top up the Haydon's Rd scheme which could not be progressed due to labour and material price increases to a level meaning the current budget is inadequate.
Wimbledon Area Regeneration	Haydons Rd Public Realm Improv	393,150	6,094	(387,056)	It is anticipated that Civic Pride funds will be used to further increase the scheme budget and it is planned to progress after the football season finishes in 2023.
Wimbledon Area Regeneration	Wimbledon Hill Rd	497,540	495,790	(1,750)	
Wimbledon Area Regeneration	Wimb Vill Herit Led Pblc Realm	0	130	130	
Morden Area Regeneration	Crown Creative Knowledge Exch	150,000	3,000	(147,000)	We are unable to complete the building works of the former HSBC building by year-end due to: 1) planning permission requirement and 2) the need to re-procure a building contractor. Extension of the contract with a previous contractor is not possible
Borough Regeneration	Wandle Project	69,030	0	(69,030)	NCIL funded grant. Awaiting update from Merton Priory (Anima Una) who are the grant recipients.
Borough Regeneration	Haydons Rd Shop Front Impr	354,130	354,946	816	
Borough Regeneration	Vacant Premises Upgrade	14,980	14,980	0	
Borough Regeneration	Carbon Offset Funding	100,000	24,360	(75,640)	S106 funded grants to home owners for retrofit improvements. Spend depends on uptake of grant and criteria being met.
Wimbledon Park Lake and Wa	Wimbledon Park Lake Safety	520,210	456,024	(64,186)	Following lake improvement project, reinstatement works for the Crazy Golf course have now been identified and priced.
Wimbledon Park Lake and Wa	Watersport Fleet	10,000	8,037	(1,963)	
Sports Facilities	Leisure Centre Plant & Machine	265,220	65,466	(199,754)	Leisure Centre roof works were delayed and are now in progress.
Parks	Parks Investment	271,190	345,445	74,255	Schemes progressed faster than envisaged during November 2022 Monitoring
Parks	Canons - Parks for People	65,370	35,290	(30,080)	Capital element of the scheme has been finished budget relinquished

Capital Outturn Position 2022-23

Cost Centre	Project General	Budget	Outturn	Variance	Reason For Variance
Parks	Figges Marsh NCIL Ward Alloc	10,020	10,019	(1)	
Parks	Graveney NCIL Ward Alloc	10,020	10,019	(1)	
Parks	Lavender Fields NCIL Ward Allo	10,020	10,019	(1)	
Parks	Longthornton NCIL Ward Allo	10,020	10,019	(1)	
Parks	Wimbledon Park NCIL Ward Alloc	13,080	13,080	0	
Parks	Resurface Tennis Courts	150,440	0	(150,440)	This is linked to the LTA borough wide tennis court refurbishment works which will commence in 2023-24
Parks	New water play feature Wimb Pk	43,000	43,016	16	
Parks	Paddling Pool Option 1	200,000	236,610	36,610	Scheme progressed faster than envisaged during November 2022 Monitoring
Parks	Morley Park Enhancements	19,370	0	(19,370)	S106 money has no expiry and will be used once works are identified. (Likely to be after drainage issues are resolved with Berkley Homes)
Parks	Wandle Nature Pk Flood Defence	14,060	14,061	1	
Parks	Sports Drainage	150,000	11,028	(138,972)	Additional surveys were required to finalise and agree the specification of works with the EA. Furthermore, the works will now commence a little later than planned to accommodate the weather-related extension to football pitch usage
Parks	Multi Use Sports Areas	181,400	215,714	34,314	Scheme progressed faster than envisaged during November 2022 Monitoring
Parks	Myrna Close Public Realm	48,800	0	(48,800)	Contractor delays to carry out work. (S106 funded, spend deadline is in 2026)
Parks	Abbey Recreation Ground	48,240	33,568	(14,672)	Project in progress. Biodiversity element of project now in progress following site surveys.
Parks	Colliers Wood Rec Ground	69,190	69,190	0	
	Environment and Regeneration	12,573,610	8,808,176	(3,765,434)	
	Capital	30,543,550	23,365,114	(7,178,436)	

Proposed Revisions to the Approved Capital Programme 2022-23

Coding and Narrative		Recommended Slippage	Relinquished	Funding Required from Future Years	Justification for Slippage
Corporate Services					
Customer Contact Programme	Customer Contact Programme	0	0	(62,980)	Required towards Y2 Transformation costs
Customer Contact Programme	Spectrum Spatial Analyst Repla	0	0	(92,060)	Funded from 2023-24 Budget
Customer Contact Programme	Robotics Process Automation	110,000	0	0	Start of project has been delayed
Customer Contact Programme	Web Content Management System	0	22,810	0	No slippage required
Customer Contact Programme	Customer Contact - Portal	151,570	0	0	Delayed pending business decision
Customer Contact Programme	Customer Contact - Complaints	103,480	0	0	Delayed delivery (Infosys) payments held.
Customer Contact Programme	Cust Contact - Digital Strategy	109,290	0	0	Project delivered over 3 years.
Customer Contact Programme	Replace TKDialogue	57,030	0	0	Delay in other projects (by Infosys) lead to delayed start. Will be completed this FY.
Customer Contact Programme	M365 Tools - PowerBI	107,880	0	0	2 year project - partially delivered.
Customer Contact Programme	Transport Management System	122,470	0	0	Delayed pending business decision, tender due out Q1 2023
Customer Contact Programme	Data Security and Control	17,650	0	0	Project will continue in 2023-24
Works to other buildings	Morden Park House Courtyard	0	8,471	0	Scheme complete
Works to other buildings	Capital Building Works	24,750	0	0	Capital funding provided annually
Works to other buildings	Boiler Replacement	3,080	0	0	Will provide match funding for a substantial grant
Civic Centre	Civic Centre Lightning Upgrade	295,020	0	0	£90k to be used on lighting for Civic Centre refurbishment (floors 1 & 7) - committed. £210k to be moved and spread over next 2 years to cover remaining Civic Centre floor refurbishment. Order for lighting has been placed on 00000000 - £90k
Civic Centre	Work Place Design	229,120	0	0	Scheme underway and Phase 1 is due for completion in July 2023
Invest to Save schemes	Project General	230,140	0	0	GW3 approved for LED streetlighting upgrade - £400k. Project underway over £100k committed, remainder to be spent on streetlighting upgrade equipment and installation in 23-24. Scheme cannot continue with slippage.
Business Systems	Aligned Assets	37,920	0	0	May need the Data Interoperability Extension to integrate addresses with GIS
Business Systems	Environmental Asset Management	0	0	(39,020)	Funded from 2023-24 Budget
Business Systems	Capita Housing	35,930	0	0	May be funding required to implement mid-call solution for PCIDSS compliance
Business Systems	Children's Safeguarding	125,000	0	0	May be required - pending business decision
Business Systems	Planning&Public Protection Sys	65,440	0	0	Required for M3 re-procurement
Business Systems	Regulatory System	28,560	0	0	Funding required to support M3 re-procurement
Business Systems	Parking System	0	0	(11,290)	Funded from 2023-24 Budget
Business Systems	Ancillary IT Systems	33,600	0	0	Development of small IT systems with no specific capital budget
Business Systems	Payroll System	27,070	0	0	Required to complete project - delayed by supplier/business.
Social Care IT System	Mosaic ASC Changes	8,240	0	0	Required for further Mosaic changes
Social Care IT System	EHCP Hub	46,160	0	0	Delayed pending business decision. Proposed solution not fit for purpose.
Social Care IT System	Mosaic Finance Integration	14,550	0	0	Partially delivered in year 1, delayed by scope agreement, rest delivered in year 2
Social Care IT System	Transition Tracker	31,510	0	0	Initial phase delivered by in-house resource as part of their training, further development may incur 3rd party costs.
Social Care IT System	SEN Transport Allocation	20,000	0	0	If agreed budget to be merged with Transport Management System procurement
Disaster recovery site	Disaster recovery	0	5,555	0	Scheme complete
Planned Replacement Programme	Project General	92,750	0	0	IT equipment relating to refurbishment works is committed. Slippage is required to complete these works
Planned Replacement Programme	Network Switch Upgrade	200,000	0	0	Scheme has commenced - £141k order for switch equipment committed but could not be receipted due to a delay in getting the equipment into the Country. Scheme is on-going and cannot be completed without slippage
Acquisitions Budget	Project General	0	0	(810)	Funded from 2026-27 Budget
Westminster Coroners Court	Project General	109,350	0	0	Authority is required to make a contribution scheme slipped from that forecast in Nov 22
Total Corporate Services		2,437,560	36,836	(206,160)	
Community and Housing					
Disabled Facilities Grant	Project General	52,630	0	0	Funded by a ringfenced Grant
Major Library Projects	Library Self Service	0	4,668	0	Scheme complete
Major Library Projects	Creation Digital Maker Space	73,360	0	0	Funded by a ringfenced Grant
Libraries IT	Library Management System	24,000	0	0	Project was due to be completed in 23/24 but has slipped due to supplier performance. The new website solution is expected to go live in May 2024 and budget needs to be carried over.
Total Community and Housing		149,990	4,668	0	

Proposed Revisions to the Approved Capital Programme 2022-23

Coding and Narrative		Recommended Slippage	Relinquished	Funding Required from Future Years	Justification for Slippage
Hollymount	Schools Capital maintenance	46,090	0	0	
West Wimbledon	Schools Capital maintenance	8,710	0	0	
Hatfield	Schools Capital maintenance	45,240	0	0	
Hillcross	Schools Capital maintenance	4,060	0	0	
Joseph Hood	Schools Capital maintenance	47,420	0	0	
Dundonald	Schools Capital maintenance	0	0	(2,330)	Ringfenced grant
Merton Park	Schools Capital maintenance	0	0	(230)	
Pelham	Schools Capital maintenance	11,190	0	0	
Poplar	Schools Capital maintenance	20	0	0	
Wimbledon Chase	Schools Capital maintenance	78,670	0	0	
Wimbledon Park	Schools Capital maintenance	33,850	0	0	
Abbotsbury	Schools Capital maintenance	3,200	0	0	
Malmsbury	Schools Capital maintenance	2,520	0	0	
Morden	Schools Capital maintenance	58,780	0	0	
Bond	Schools Capital maintenance	0	0	(1,790)	Ringfenced grant
Cramer	Schools Capital maintenance	16,090	0	0	
Gorrige Park	Schools Capital maintenance	0	0	(3,640)	
Haslemere	Schools Capital maintenance	16,240	0	0	
Liberty	Schools Capital maintenance	430	0	0	
Liberty	Immersive Learning Centre	11,710	0	0	NCIL funding final tranche of funding outstanding
Links	Schools Capital maintenance	0	0	(520)	
Singlegate	Schools Capital maintenance	0	0	(1,320)	
St Marks	Schools Capital maintenance	1,060	0	0	
Lonesome	Schools Capital maintenance	11,440	0	0	
Sherwood	Schools Capital maintenance	70,300	0	0	
William Morris	Schools Capital maintenance	32,640	0	0	
Harris Academy Merton	Schools Capital maintenance	34,170	0	0	
Raynes Park	Schools Capital maintenance	36,790	0	0	
Ricards Lodge	Schools Capital maintenance	0	0	(360)	
Rutlish	Schools Capital maintenance	0	0	(287,090)	
Perseid	Schools Capital maintenance	27,520	0	0	
Perseid	Perseid School Expansion	9,130	0	0	
Cricknet Green	Cricknet Green School Expansion	39,040	0	0	Ringfenced grant
Melrose	Schools Capital maintenance	3,920	0	0	
Melrose	Melrose School Expansion	39,790	0	0	
Melrose Whatley Ave SEN	Schools Capital maintenance	106,080	0	0	
Melrose Whatley Ave SEN	Whatley Avenue	118,980	0	0	
Melbury College - Smart Centre	Schools Capital maintenance	11,370	0	0	
Perseid Lower	Perseid School Expansion	20,000	0	0	
Medical PRU	Medical PRU Expansion	60,330	0	0	
Mainstream SEN (ARP)	Stanford Primary ARP	0	0	(1,390)	
Mainstream SEN (ARP)	Raynes Pk Sch ARP expansion 1	5,000	0	0	
Mainstream SEN (ARP)	Cramer Primary School New ARP	14,460	0	0	
Mainstream SEN (ARP)	West Wimb Primary ARP expansio	19,700	0	0	
Mainstream SEN (ARP)	Hatfield Primary ARP expansion	20,310	0	0	
CSF Safeguarding	Children's Safeguarding	165,000	0	0	It is still the intention for the relevant child to be kept with this family so we would like to keep this in the programme for the same justification reasons as previously in the expectation that a new suitable house will become available for the family
CSF Safeguarding	Care Leavers Living Accom	63,110	0	0	This is a spend to save scheme to reduce the cost of private sector rented accommodated. It is also contractually committed
Children's Centres	Bond Road Family Centre	3,960	0	0	This is contractually committed
Children's Centres	Family Hubs	15,000	0	0	Ringfenced grant
Youth Provision	Pollards Hill Digital Divide	19,620	0	0	The £19,620 is a small element compared to the £276,200 in the programme for this scheme in 23/24. The merits of the scheme were considered as part of the capital programme review for 23/24 and it was agreed that this should stay in. The justification given at that time has not changed.
		1,332,940	0	(298,670)	

Proposed Revisions to the Approved Capital Programme 2022-23

Coding and Narrative		Recommended Slippage	Relinquished	Funding Required from Future Years	Justification for Slippage
On Street Parking - P&D	Pay and Display Machines	98,830	0	0	Scheme well progressed but has slipped from Nov. 22 forecast
On Street Parking - P&D	ANPR Cams Air Qual & Traf Sens	0	579	0	
Off Street Parking - P&D	Car Park Upgrades	0	0	(73,070)	Funded from 2023-24 Budget
Off Street Parking - P&D	Peel House Car Park	0	0	(55,440)	Funded from 2023-24 Budget
CCTV Investment	CCTV cameras & infrastr upgrade	87,490	0	0	PO raised for consultant £77k. Minor works in Mitcham costing £5.5k has been commissioned and PO raised.
CCTV Investment	Rapid Response Cameras	42,580	0	0	To purchase 4 more cameras following market testing and trials.
CCTV Investment	Willow Ln Bridge Improvements	0	0	(490)	Funded from 2023-24 Budget
Public Protection and Developm	Designing Out Crime for ASB	50,000	0	0	PO raised in Dec 22 for cameras which are due to be installed
Alley Gating Scheme	Project General	42,000	0	0	Slippage required to fund Rialto Rd/Priestley Rd scheme which, due to legal requirement for further informal consultation, delayed the installation of gates.
Waste SLWP	Replacement of Fleet Vehicles	0	1,568	0	N/A, no slippage required.
Street Trees	Street Tree Programme	0	0	0	Required for completion of planting costs
Street Trees	New street tree planting prog	11,930	0	0	Required for completion of planting costs
Street Trees	Harris & Hi Path Street Trees	50,000	0	0	Section 106 scheme
Raynes Park Area Roads	Raynes Park Station Pub Realm	33,190	0	0	Section 106 scheme
Highways & Footways	Accessibility Programme	70,550	0	0	TfL Scheme
Highways & Footways	Casualty Reduction & Schools	22,120	0	0	TfL Scheme
Highways & Footways	Repairs to Footways	0	0	(59,830)	Funded from 2023-24 Budget
Highways & Footways	Borough Roads Maintenance	0	0	(28,110)	Funded from 2023-24 Budget
Highways & Footways	Highways bridges & structures	486,670	0	0	4 schemes require funding from slippage. Refer to notes on Outturn sheet
Highways & Footways	Culverts Upgrade	297,780	0	0	2 schemes require funding from slippage. Refer to notes on Outturn sheet
Highways & Footways	ZZ3233 - High Path School Harr	0	0	0	
Highways & Footways	Bishopsford Bridge	0	46,493	0	Slippage may not be required. However, final payment due to Thames Water not yet confirmed.
Highways & Footways	Lamp Column Chargers	427,250	0	0	Ringfenced Grant
Highways & Footways	Cycle Lane Rdway Bshfd Bridge	0	2,396	0	
Highways & Footways	ANPR Cameras School Streets	0	0	0	Funded from 2023-24 Budget
Highways & Footways	S Wimb Bus Area Wayfinding	127,660	0	0	NCIL funded
Highways & Footways	Motspur Pk Stat Access for All	190,000	0	0	Legal agreement with Network Rail in place for the Council's contribution to step-free access scheme. This budget, plus 23-24 allocation required in full.
Highways & Footways	Milner Rd Improvements	122,330	0	0	Scheme will go ahead once development works in the area are complete and top up funding from Civic Pride is approved.
Cycle Route Improvements	Cycle Improve Residential Stre	37,570	0	0	TfL Scheme
Mitcham Area Regeneration	Canons - Parks for People	0	271,831	0	Capital element of the scheme complete
Mitcham Area Regeneration	Elmwood Centre Hub	65,000	0	0	NCIL funded
Mitcham Area Regeneration	New Horizon Centre	27,470	0	0	NCIL funded
Mitcham Area Regeneration	Springboard SMCA	0	0	(790)	Funded from 2023-24 Budget
Wimbledon Area Regeneration	Wimb Public Realm Implement	169,770	0	0	Further Wimbledon town centre PR works to be progressed following completion of Wimbledon Hill Rd scheme.
Wimbledon Area Regeneration	Haydons Rd Public Realm Improv	387,060	0	0	Scheme will go ahead once top up funding from Civic Pride is approved.
Wimbledon Area Regeneration	Wimb Vill Herit Led Pble Realm	0	0	(130)	Funded from 2023-24 Budget
Morden Area Regeneration	Crown Creative Knowledge Exch	147,000	0	0	This is required as match funding for physical improvements to the former HSBC building, which are being funded by the Business Rates Strategic Investment Pot. The building will then be occupied by a provider to run the Morden hub of the South London Knowledge Exchange
Borough Regeneration	Wandle Project	69,030	0	0	NCIL/Section 106 Funded
Borough Regeneration	Haydons Rd Shop Front Impr	0	(815)	0	Funded from 2023-24 Budget
Borough Regeneration	Carbon Offset Funding	75,640	0	0	Section 106 Funded
Wimbledon Park Lake and Water	Wimbledon Park Lake Safety	64,190	0	0	Underspend to be used for trash screens and crazy golf course redesign/enhancements following lake improvement works. SCIL Funded
Wimbledon Park Lake and Water	Watersport Fleet	0	1,963	0	Slippage not required
Sports Facilities	Leisure Centre Plant & Machine	199,750	0	0	£189k Canons Roofing Wks plus fees commissioned - £31k paid P1 2023-24
Parks	Parks Investment	0	0	(74,250)	Funded from 2023-24 Budget
Parks	Canons - Parks for People	0	30,080	0	
Parks	Resurface Tennis Courts	150,440	0	0	Ringfenced Reserve
Parks	Paddling Pool Option 1	0	0	(36,610)	Funded from 2023-24 Budget
Parks	Morley Park Enhancements	19,370	0	0	Section 106 Funded
Parks	Sports Drainage	138,970	0	0	Ongoing works following additional surveys that were required due to EA specifications.
Parks	Multi Use Sports Areas	0	0	(34,310)	Funded from 2023-24 Budget
Parks	Myma Close Public Realm	48,800	0	0	Section 106 Funded
Parks	Abbey Recreation Ground	14,680	0	0	Section 106 Funded
Total Environment and Regeneration		3,775,120	354,095	(363,030)	
Total Capital Programme		7,695,610	395,599	(867,860)	

Proposed Revisions to Capital Programme 2023-24

Cost Centre	Project General	Original Budget	Slippage from 2022-23 to 2023-24 BS	Clawback to Fund 2022-23	Reprofiled to/from Future Years	New 2023-24	Virement	Revised Budget
Customer Contact Programme	Customer Contact Programme	483,090	0	(62,980)	0	0	0	420,110
Customer Contact Programme	Spectrum Spatial Analyst Repla	100,000	0	(92,060)	0	0	0	7,940
Customer Contact Programme	Robotics Process Automation	0	110,000	0	0	0	0	110,000
Customer Contact Programme	Customer Contact - Portal	0	151,570	0	0	0	0	151,570
Customer Contact Programme	Customer Contact - Complaints	0	103,480	0	0	0	0	103,480
Customer Contact Programme	Cust Contact -Digital Strategy	0	109,290	0	0	0	0	109,290
Customer Contact Programme	Replace TKDialogue	0	57,030	0	0	0	0	57,030
Customer Contact Programme	M365 Tools - PowerBI	0	107,880	0	0	0	0	107,880
Customer Contact Programme	Transport Management System	0	122,470	0	0	0	20,000	142,470
Customer Contact Programme	Data Security and Control	0	17,650	0	0	0	0	17,650
Works to other buildings	Capital Building Works	650,000	24,750	0	0	0	0	674,750
Civic Centre	Civic Centre Boilers	2,400,000	3,080	0	581,000	0	0	2,984,080
Civic Centre	Civic Centre Lightning Upgrade	0	295,020	0	0	0	(295,020)	0
Civic Centre	Civic Centre Cycle Parking	60,000	0	0	(60,000)	0	0	0
Civic Centre	Work Place Design	530,000	229,120	0	0	0	295,020	1,054,140
Invest to Save schemes	Project General	100,000	230,140	0	0	0	0	330,140
Invest to Save schemes	Photovoltaics & Energy Conserv	50,000	0	0	0	0	0	50,000
Business Systems	Aligned Assets	0	37,920	0	0	0	0	37,920
Business Systems	Environmental Asset Management	240,000	0	(39,020)	0	0	0	200,980
Business Systems	Revenue and Benefits	300,000	0	0	0	0	0	300,000
Business Systems	Capita Housing	0	35,930	0	0	0	0	35,930
Business Systems	Planning&Public Protection Sys	240,710	65,440	0	0	0	0	306,150
Business Systems	Kofax Scanning	150,000	0	0	0	0	0	150,000
Business Systems	Regulatory System	0	28,560	0	0	0	0	28,560
Business Systems	Parking System	270,110	0	(11,290)	0	0	0	258,820
Business Systems	Ancillary IT Systems	0	33,600	0	0	0	0	33,600
Business Systems	Payroll System	0	27,070	0	0	0	0	27,070
Social Care IT System	Replacement SC System	819,000	0	0	0	0	0	819,000
Social Care IT System	Mosaic ASC Changes	0	8,240	0	0	0	0	8,240
Social Care IT System	Mosaic Finance Integration	0	14,550	0	0	0	0	14,550
Social Care IT System	Transition Tracker	0	31,510	0	0	0	0	31,510
Social Care IT System	SEN Transport Allocation	0	20,000	0	0	0	(20,000)	0
Planned Replacement Programme	Project General	770,000	92,750	0	0	0	0	862,750
Planned Replacement Programme	Network Switch Upgrade	0	200,000	0	0	0	0	200,000
Financial System	e5.5 Project	700,000	0	0	(700,000)	0	0	0
Westminster Ccl Coroners Court	Project General	379,260	109,350	0	0	0	0	488,610
Compulsory Purchase Order	CPO Clarion	13,933,650	0	0	0	0	0	13,933,650
Governance	New Election Booths	45,000	0	0	0	0	0	45,000
	Corporate Services	22,220,820	2,266,400	(205,350)	(179,000)	0	0	24,102,870
Disabled Facilities Grant	Project General	827,000	52,630	0	0	0	0	879,630
Major Projects - Affordable Ho	Affordable Housing Fund	5,000,000	0	0	0	0	0	5,000,000
Major Projects - Affordable Ho	Empty Homes Strategy	125,000	0	0	0	0	0	125,000
Major Library Projects	Creation Digital Maker Space	0	73,360	0	0	0	0	73,360
Libraries IT	Library Management System	0	24,000	0	0	0	0	24,000
	Community and Housing	5,952,000	149,990	0	0	0	0	6,101,990

Proposed Revisions to Capital Programme 2023-24

Cost Centre	Project General	Original Budget	Slippage from 2022-23 to 2023-24 BS	Clawback to Fund 2022-23	Reprofiled to/from Future Years	New 2023-24	Virement	Revised Budget
Hollymount	Schools Capital maintenance	50,000	46,090	0	0	18,786	109,864	224,740
West Wimbledon	Schools Capital maintenance	0	8,710	0	0	10,000	107,330	126,040
Hatfield	Schools Capital maintenance	35,000	45,240	0	0	0	330	80,570
Joseph Hood	Schools Capital maintenance	66,120	47,420	0	0	17,695	294,945	426,180
Dundonald	Schools Capital maintenance	0	0	(2,330)	0	10,000	32,610	40,280
Merton Park	Schools Capital maintenance	0	0	(230)	0	14,590	6,510	20,870
Poplar	Schools Capital maintenance	0	20	0	0	32,923	149,497	182,440
Wimbledon Chase	Schools Capital maintenance	0	78,670	0	0	33,715	151,105	263,490
Wimbledon Park	Schools Capital maintenance	50,000	33,850	0	0	0	0	83,850
Abbotsbury	Schools Capital maintenance	0	3,200	0	0	17,639	2,181	32,000
Morden	Schools Capital maintenance	0	58,780	0	0	10,000	43,260	112,040
Bond	Schools Capital maintenance	0	0	(1,790)	0	18,032	47,798	64,040
Cranmer	Schools Capital maintenance	0	16,090	0	0	21,643	61,927	99,660
Gorringe Park	Schools Capital maintenance	0	0	(3,640)	0	18,802	40,798	55,960
Haslemere	Schools Capital maintenance	0	16,240	0	0	10,000	199,050	225,290
Links	Schools Capital maintenance	0	0	(520)	0	10,000	44,230	53,710
Singlegate	Schools Capital maintenance	0	0	(1,320)	0	0	31,960	30,640
Sherwood	Schools Capital maintenance	8,000	70,300	0	0	17,206	18,114	113,620
William Morris	Schools Capital maintenance	10,000	32,640	0	0	10,000	160,000	212,640
Unlocated Primary School Proj	Schools Capital maintenance	2,864,180	0	0	0	(117,243)	(2,395,277)	351,660
Rutlish	Schools Capital maintenance	0	0	(287,090)	0	10,000	418,200	141,110
Perseid	Schools Capital maintenance	50,000	27,520	0	0	0	26,630	104,150
Cricketer Green	Schools Capital maintenance	0	0	0	0	10,000	32,610	42,610
Melrose	Schools Capital maintenance	0	3,920	0	0	24,468	169,582	197,970
Melrose Whatley Ave SEN	Schools Capital maintenance	0	106,080	0	0	0	54,230	160,310
Melbury College - Smart Centre	Schools Capital maintenance	0	11,370	0	0	15,446	14,594	41,410
Perseid Lower	Schools Capital maintenance	0	0	0	0	32,818	183,222	216,040
Perseid Lower	Perseid School Expansion	1,580,000	20,000	0	(1,350,000)	0	0	250,000
Medical PRU	Schools Capital maintenance	0	0	0	0	0	27,120	27,120
Medical PRU	Medical PRU Expansion	30,000	60,330	0	0	0	0	90,330
Mainstream SEN (ARP)	Secondary sch ARP expansion 2	300,000	0	0	(270,000)	0	0	30,000
Mainstream SEN (ARP)	Raynes Pk Sch ARP expansion 1	1,015,000	5,000	0	(990,000)	0	0	30,000
Mainstream SEN (ARP)	Cranmer Primary School New ARP	623,040	14,460	0	0	175,000	0	812,500
Mainstream SEN (ARP)	West Wimb Primary ARP expansio	234,520	19,700	0	0	100,000	0	354,220
Mainstream SEN (ARP)	Second school ARP expansion 4	30,000	0	0	0	0	0	30,000
Mainstream SEN (ARP)	Second school ARP expansion 3	500,000	0	0	(470,000)	0	0	30,000
Mainstream SEN (ARP)	Primary school ARP expansion	200,000	0	0	(180,000)	0	0	20,000
CSF Safeguarding	Care Leavers Living Accom	66,000	63,110	0	0	0	0	129,110
Devolved Formula Capital	Devolved Formula Capital	0	0	0	0	353,120	0	353,120
Children's Centres	Bond Road Family Centre	30,000	3,960	0	0	0	0	33,960
Children's Centres	Family Hubs	15,000	15,000	0	0	0	0	30,000
Youth Provision	Pollards Hill Digital Divide	276,260	19,620	0	0	0	0	295,880
	Children Schools & Families	8,033,120	1,332,940	(298,670)	(3,260,000)	1,065,110	0	6,872,500

Proposed Revisions to Capital Programme 2023-24

Cost Centre	Project General	Original Budget	Slippage from 2022-23 to 2023-24 BS	Clawback to Fund 2022-23	Reprofiled to/from Future Years	New 2023-24	Virement	Revised Budget
On Street Parking - P&D	Pay and Display Machines	106,780	98,830	0	0	0	0	205,610
On Street Parking - P&D	ANPR Cams Air Qual & Traf Sens	300,000	0	0	0	0	0	300,000
Off Street Parking - P&D	Car Park Upgrades	674,510	0	(73,070)	0	0	0	601,440
Off Street Parking - P&D	Peel House Car Park	700,000	0	(55,440)	0	0	0	644,560
CCTV Investment	CCTV cameras & infrastr upgrade	1,052,240	87,490	0	0	0	0	1,139,730
CCTV Investment	Rapid Response Cameras	0	42,580	0	0	0	0	42,580
CCTV Investment	Willow Ln Bridge Improvements	27,280	0	(490)	0	0	0	26,790
CCTV Investment	Brangwyn Cr/Cside East Improv	52,430	0	0	0	0	0	52,430
CCTV Investment	5 Perm Cams/Ann & Enh Net Conn	135,000	0	0	0	0	0	135,000
CCTV Investment	CCTV Dark Fibre	172,500	0	0	0	0	0	172,500
Public Protection and Developm	Designing Out Crime for ASB	35,000	50,000	0	(35,000)	0	0	50,000
Public Protection and Developm	Noise Monitoring Equipment	70,000	0	0	0	0	0	70,000
Public Protection and Developm	Upgrade Auto Air Qual Mon Stat	250,000	0	0	0	0	0	250,000
Fleet Vehicles	Replacement of Fleet Vehicles	300,000	0	0	0	0	0	300,000
Alley Gating Scheme	Project General	24,000	42,000	0	0	0	0	66,000
Street Trees	Street Tree Programme	60,000	0	0	0	0	0	60,000
Street Trees	New street tree planting prog	0	11,930	0	0	0	0	11,930
Street Trees	Harris & Hi Path Street Trees	0	50,000	0	0	0	0	50,000
Raynes Park Area Roads	Raynes Park Station Pub Realm	0	33,190	0	0	0	0	33,190
Highways & Footways	Street Lighting Replacement Pr	290,000	0	0	0	0	0	290,000
Highways & Footways	Accessability Programme	5,000	70,550	0	0	322,000	0	397,550
Highways & Footways	Casualty Reduction & Schools	34,000	22,120	0	0	400,430	0	456,550
Highways & Footways	Traffic Schemes	150,000	0	0	0	0	0	150,000
Highways & Footways	Surface Water Drainage	100,000	0	0	0	0	0	100,000
Highways & Footways	Repairs to Footways	1,300,000	0	(59,130)	0	0	0	1,240,870
Highways & Footways	Maintain AntiSkid and Coloured	60,000	0	0	0	0	0	60,000
Highways & Footways	Borough Roads Maintenance	2,200,000	0	(28,110)	0	0	0	2,171,890
Highways & Footways	Highways bridges & structures	625,950	0	0	0	0	0	625,950
Highways & Footways	Culverts Upgrade	208,370	297,780	0	(253,070)	0	0	253,080
Highways & Footways	Lamp Column Chargers	0	427,250	0	0	0	0	427,250
Highways & Footways	Residential Secure Cycle Store	25,670	0	0	0	0	0	25,670
Highways & Footways	ANPR Cameras School Streets	200,000	0	0	0	51,840	0	251,840
Highways & Footways	S Wimb Bus Area Wayfinding	0	127,660	0	0	0	0	127,660
Highways & Footways	Haydons Rd Access for All	100,000	0	0	0	0	0	100,000
Highways & Footways	Motspur Pk Stat Access for All	500,000	190,000	0	0	0	0	690,000
Highways & Footways	Milner Rd Improvements	0	122,330	0	0	0	100,000	222,330
Cycle Route Improvements	Cycle access/parking	159,000	0	0	0	106,000	0	265,000
Cycle Route Improvements	Cycle Improve Residential Stre	116,000	37,570	0	0	243,120	0	396,690
Cycle Route Improvements	Haydons Rd Bridge Cycle Lane	135,000	0	0	0	0	0	135,000
Cycle Route Improvements	Pollard Hill Cycl & Act Travel	200,000	0	0	0	0	0	200,000
Mitcham Area Regeneration	Elmwood Centre Hub	0	65,000	0	0	0	0	65,000
Mitcham Area Regeneration	Rowan Pk Comm Fac Match Fund	150,000	0	0	0	0	0	150,000
Mitcham Area Regeneration	New Horizon Centre	0	27,470	0	0	0	0	27,470
Mitcham Area Regeneration	Pollards Hill Bus Shelter	250,000	0	0	0	0	50,000	300,000
Mitcham Area Regeneration	Springboard SMCA	87,000	0	(790)	0	0	0	86,210
Mitcham Area Regeneration	Mitcham Cricket Green	54,000	0	0	0	0	0	54,000
Mitcham Area Regeneration	Small Quarter Phase2	22,000	0	0	0	0	0	22,000
Mitcham Area Regeneration	Chapter House Youth Theatre	33,000	0	0	0	0	0	33,000
Wimbledon Area Regeneration	Crowded Places-Hostile Vehicl	180,000	0	0	(180,000)	0	0	0
Wimbledon Area Regeneration	Wimb Public Realm Implement	475,110	169,770	0	(494,880)	0	0	150,000
Wimbledon Area Regeneration	Haydons Rd Public Realm Improv	0	387,060	0	0	0	290,000	677,060
Wimbledon Area Regeneration	Wimb Vill Herit Led Pblc Realm	800,000	0	(130)	(699,870)	0	0	100,000
Wimbledon Area Regeneration	Kenilworth Green/Pocket Park	65,000	0	0	0	0	0	65,000
Wimbledon Area Regeneration	Cannizaro Park Safety	82,500	0	0	0	0	0	82,500
Wimbledon Area Regeneration	Thrive - Workshop 305	115,600	0	0	0	0	0	115,600

Proposed Revisions to Capital Programme 2023-24

Cost Centre	Project General	Original Budget	Slippage from 2022-23 to 2023-24 BS	Clawback to Fund 2022-23	Reprofiled to/from Future Years	New 2023-24	Virement	Revised Budget
Morden Area Regeneration	Crown Creative Knowledge Exch	0	147,000	0	0	150,000	0	297,000
Morden Area Regeneration	Morden Town Centre Improvement	200,000	0	0	0	0	0	200,000
Borough Regeneration	Wandle Project	0	69,030	0	0	0	0	69,030
Borough Regeneration	Shop Front Improvement	260,000	0	0	(200,000)	0	0	60,000
Borough Regeneration	Merton Lost Rivers	300,000	0	0	0	0	0	300,000
Borough Regeneration	42 Graham Rd	50,000	0	0	(50,000)	0	0	0
Borough Regeneration	Carbon Offset Funding	50,000	75,640	0	(50,000)	0	0	75,640
Borough Regeneration	Community Retrofit Loan	280,000	0	0	(140,000)	0	0	140,000
Borough Regeneration	Civic Pride Pub Realm Improve	50,000	0	0	0	830,000	(440,000)	440,000
Property Management Enhancemen	Connm Centr Engy Swing Lighting	35,000	0	0	0	0	0	35,000
Morden Leisure Centre	New Running Track	400,000	0	0	0	0	0	400,000
Wimbledon Park Lake and Waters	Wimbledon Park Lake Safety	0	64,190	0	0	0	0	64,190
Sports Facilities	Leisure Centre Plant & Machine	300,000	199,750	0	0	0	0	499,750
Parks	Parks Investment	300,000	0	(74,250)	0	0	0	225,750
Parks	Resurface Tennis Courts	0	150,440	0	0	200,000	0	350,440
Parks	Padding Pool Option 1	70,000	0	(36,610)	0	0	0	33,390
Parks	Morley Park Enhancements	0	19,370	0	0	0	0	19,370
Parks	Sports Drainage	150,000	138,970	0	0	0	0	288,970
Parks	Multi Use Sports Areas	175,000	0	(34,310)	0	0	0	140,690
Parks	Myrna Close Public Realm	0	48,800	0	0	0	0	48,800
Parks	Morden Park Playground	75,530	0	0	0	0	0	75,530
Parks	Merton Saints BMX Club	130,000	0	0	0	0	0	130,000
Parks	Durnsford Road Rec	44,770	0	0	0	0	0	44,770
Parks	Garfield Rec MUGA	120,000	0	0	0	0	0	120,000
Parks	Moreton Green GYM	35,000	0	0	0	0	0	35,000
Parks	Playground Priority Upgra Prog	350,000	0	0	0	0	0	350,000
Parks	New Green Flag Improve Prog	50,000	0	0	0	0	0	50,000
Parks	Bridges and Structures	36,000	0	0	49,000	0	0	85,000
Parks	Tennis Court Major Resurfacing	150,000	0	0	39,410	508,650	0	698,060
Parks	Wandle Tree Safe & Man Prog	60,000	0	0	0	0	0	60,000
Parks	Park Security Meas & Trav Prev	75,000	0	0	0	0	0	75,000
Parks	Exist Green Flag Improve Prog	50,000	0	0	0	0	0	50,000
Parks	Abbey Recreation Ground	0	14,680	0	0	0	0	14,680
	Environment and Regeneration	16,479,240	3,288,450	(362,330)	(2,014,410)	3,012,040	0	20,402,990
	Total Capital	52,685,180	7,037,780	(866,350)	(5,453,410)	4,077,150	0	57,480,350

Revisions to Capital Programme 2024 to 2027

Appendix 2c1

Cost Centre	Project General	Original Budget 2024-25	Virements	Reprofiling	Budget Adjustments	Revised Budget 2024-25	Original Budget 2025-26	Virements	Reprofiling	Budget Adjustments	Revised Budget 2025-26	Original Budget 2026-27	Virements	Reprofiling	Budget Adjustments	Revised Budget 2026-27
Customer Contact Programme	Customer Contact Programme	0	0	0	0	0	1,000,000	0	0	0	1,000,000	1,000,000	0	0	0	1,000,000
Customer Contact Programme	Spectrum Spatial Analyst Repla	0	0	0	0	0	200,000	0	0	0	200,000	300,000	0	0	0	300,000
Customer Contact Programme	Web Content Management System	100,000	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0
Customer Contact Programme	Transport Management System	0	0	0	0	0	0	0	(150,000)	150,000	0	0	0	150,000	0	150,000
Works to other buildings	Capital Building Works	650,000	0	0	0	650,000	650,000	0	0	0	650,000	650,000	0	0	0	650,000
Civic Centre	Civic Centre Boilers	2,500,000	0	(581,000)	0	1,919,000	0	0	0	0	0	0	0	0	0	0
Civic Centre	Civic Centre Cycle Parking	0	0	0	0	0	0	0	0	0	0	0	0	60,000	0	60,000
Civic Centre	Work Place Design	530,000	0	0	0	530,000	0	0	0	0	0	0	0	0	0	0
Invest to Save schemes	Project General	300,000	0	0	0	300,000	300,000	0	0	0	300,000	300,000	0	0	0	300,000
Business Systems	Aligned Assets	0	0	0	0	0	0	0	0	0	0	100,000	0	0	0	100,000
Business Systems	Environmental Asset Management	250,000	0	0	0	250,000	0	0	0	0	0	0	0	0	0	0
Business Systems	Revenue and Benefits	400,000	0	0	0	400,000	0	0	0	0	0	0	0	0	0	0
Business Systems	Capita Housing	0	0	0	0	0	120,000	0	0	0	120,000	0	0	0	0	0
Business Systems	ePayments Project	150,000	0	0	0	150,000	0	0	0	0	0	0	0	0	0	0
Business Systems	Children's Safeguarding	0	0	125,000	0	125,000	0	0	0	0	0	0	0	0	0	0
Business Systems	Planning&Public Protection Sys	550,000	0	0	0	550,000	0	0	0	0	0	0	0	0	0	0
Business Systems	Parking System	400,000	0	0	0	400,000	0	0	0	0	0	0	0	0	0	0
Business Systems	Ancillary IT Systems	0	0	0	0	0	0	0	0	0	0	50,000	0	0	0	50,000
Business Systems	Youth Justice IT Systems	0	0	0	0	0	100,000	0	0	0	100,000	0	0	0	0	0
Business Systems	Payroll System	0	0	0	0	0	0	0	0	0	0	160,000	0	0	0	160,000
Business Systems	Transport Management System	0	0	0	0	0	150,000	0	0	(150,000)	0	0	0	0	0	0
Business Systems	Safer Merton Case Management	60,000	0	0	0	60,000	0	0	0	0	0	0	0	0	0	0
Business Systems	Exacom	40,000	0	0	0	40,000	0	0	0	0	0	0	0	0	0	0
Social Care IT System	Replacement SC System	1,000,000	0	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0
Social Care IT System	EHCP Hub	0	0	46,160	0	46,160	0	0	0	0	0	0	0	0	0	0
Social Care IT System	SEN Case Management	0	0	0	0	0	0	0	0	0	0	170,000	0	0	0	170,000
Planned Replacement Program	Project General	1,405,000	0	0	0	1,405,000	1,060,000	0	0	0	1,060,000	970,000	0	0	0	970,000
Financial System	e5.5 Project	0	0	0	0	0	0	0	0	0	0	0	0	700,000	0	700,000
Acquisitions Budget	Project General	0	0	0	0	0	0	0	0	0	0	6,316,130	0	(810)	0	6,315,320
Capital Bidding Fund	Project General	0	0	0	0	0	0	0	0	0	0	1,000,000	0	0	0	1,000,000
Multi Functioning Device (MFD)	Multi-Functioning Device (MFD)	600,000	0	0	0	600,000	0	0	0	0	0	0	0	0	0	0
Corporate Capital Contingency	Project General	0	0	0	0	0	0	0	0	0	0	1,680,940	0	0	0	1,680,940
	Corporate Services	8,935,000	0	(409,840)	0	8,525,160	3,580,000	0	(150,000)	0	3,430,000	12,697,070	0	909,190	0	13,606,260

Revisions to Capital Programme 2024 to 2027

Appendix 2c1

Cost Centre	Project General	Original Budget 2024-25	Virements	Reprofiling	Budget Adjustments	Revised Budget 2024-25	Original Budget 2025-26	Virements	Reprofiling	Budget Adjustments	Revised Budget 2025-26	Original Budget 2026-27	Virements	Reprofiling	Budget Adjustments	Revised Budget 2026-27
Disabled Facilities Grant	Project General	827,000	0	0	0	827,000	827,000	0	0	0	827,000	309,860	0	0	0	309,860
Major Projects - Affordable Ho	Affordable Housing Fund	5,000,000	0	0	0	5,000,000	10,000,000	0	0	0	10,000,000	9,000,000	0	0	0	9,000,000
Major Projects - Affordable Ho	Empty Homes Strategy	375,000	0	0	0	375,000	375,000	0	0	0	375,000	375,000	0	0	0	375,000
Major Projects - Social Care H	Learning Disability Aff Housing	4,900,000	0	(4,750,000)	0	150,000	4,900,000	0	0	0	4,900,000	0	0	4,750,000	0	4,750,000
Library Enhancement Works	West Barnes Library Re-Fit	200,000	0	(200,000)	0	0	0	0	0	0	0	0	0	200,000	0	200,000
Major Library Projects	Library Self Service	0	0	0	0	0	350,000	0	0	0	350,000	0	0	0	0	0
Libraries IT	Library Management System	140,000	0	(140,000)	0	0	0	0	140,000	0	140,000	0	0	0	0	0
	Community and Housing	11,442,000	0	(5,090,000)	0	6,352,000	16,452,000	0	140,000	0	16,592,000	9,684,860	0	4,950,000	0	14,634,860
Unlocated Primary School Proj	Schools Capital maintenance	2,500,000	0	0	0	2,500,000	2,500,000	0	0	0	2,500,000	2,500,000	0	0	0	2,500,000
Perseid Lower	Perseid School Expansion	2,516,860	0	1,350,000	0	3,866,860	0	0	0	0	0	0	0	0	0	0
Mainstream SEN (ARP)	Safety Valve - New ARP	0	0	0	0	0	0	0	0	0	0	900,000	0	0	0	900,000
Mainstream SEN (ARP)	Secondary sch ARP expansion 2	575,970	0	270,000	0	845,970	0	0	0	0	0	0	0	0	0	0
Mainstream SEN (ARP)	Raynes Pk Sch ARP expansion 1	1,019,340	0	990,000	0	2,009,340	0	0	0	0	0	0	0	0	0	0
Mainstream SEN (ARP)	Second school ARP expansion 4	700,000	0	0	0	700,000	978,850	0	0	0	978,850	0	0	0	0	0
Mainstream SEN (ARP)	Second school ARP expansion 3	1,208,850	0	470,000	0	1,678,850	0	0	0	0	0	0	0	0	0	0
Mainstream SEN (ARP)	Primary school ARP expansion	215,990	0	180,000	0	395,990	0	0	0	0	0	0	0	0	0	0
	Children Schools & Families	8,737,010	0	3,260,000	0	11,997,010	3,478,850	0	0	0	3,478,850	3,400,000	0	0	0	3,400,000

Revisions to Capital Programme 2024 to 2027

Appendix 2c1

Cost Centre	Project General	Original Budget 2024-25	Virements	Reprofiling	Budget Adjustments	Revised Budget 2024-25	Original Budget 2025-26	Virements	Reprofiling	Budget Adjustments	Revised Budget 2025-26	Original Budget 2026-27	Virements	Reprofiling	Budget Adjustments	Revised Budget 2026-27
On Street Parking - P&D	ANPR Cams Air Qual & Traf Sens	300,000	0	0	0	300,000	300,000	0	0	0	300,000	300,000	0	0	0	300,000
CCTV Investment	Rapid Response Cameras	0	0	0	0	0	45,000	0	0	0	45,000	45,000	0	0	0	45,000
CCTV Investment	5 Perm Cams/Ann & Enh Net Conn	100,000	0	0	0	100,000	100,000	0	0	0	100,000	100,000	0	0	0	100,000
Public Protection and Developn	Project General	0	0	0	0	0	0	0	0	0	0	35,000	0	0	0	35,000
Public Protection and Developn	Designing Out Crime for ASB	20,000	0	15,000	0	35,000	20,000	0	0	0	20,000	0	0	20,000	0	20,000
Fleet Vehicles	Replacement of Fleet Vehicles	0	0	0	0	0	1,212,000	0	0	0	1,212,000	0	0	0	0	0
Alley Gating Scheme	Project General	24,000	0	0	0	24,000	24,000	0	0	0	24,000	24,000	0	0	0	24,000
Waste SLWP	Project General	0	0	0	0	0	42,000	0	0	0	42,000	0	0	0	0	0
Waste SLWP	Replacement of Fleet Vehicles	0	0	0	0	0	15,000,000	0	0	0	15,000,000	0	0	0	0	0
Waste SLWP	Waste Transfer Station	1,000,000	0	0	0	1,000,000	4,500,000	0	0	0	4,500,000	500,000	0	0	0	500,000
Street Trees	Street Tree Programme	60,000	0	0	0	60,000	60,000	0	0	0	60,000	60,000	0	0	0	60,000
Highways & Footways	Street Lighting Replacement Pr	290,000	0	0	0	290,000	290,000	0	0	0	290,000	290,000	0	0	0	290,000
Highways & Footways	Traffic Schemes	150,000	0	0	0	150,000	150,000	0	0	0	150,000	150,000	0	0	0	150,000
Highways & Footways	Surface Water Drainage	100,000	0	0	0	100,000	100,000	0	0	0	100,000	60,000	0	0	0	60,000
Highways & Footways	Repairs to Footways	1,300,000	0	0	0	1,300,000	1,300,000	0	0	0	1,300,000	1,300,000	0	0	0	1,300,000
Highways & Footways	Maintain AntiSkid and Coloured	60,000	0	0	0	60,000	60,000	0	0	0	60,000	60,000	0	0	0	60,000
Highways & Footways	Borough Roads Maintenance	2,200,000	0	0	0	2,200,000	2,200,000	0	0	0	2,200,000	1,800,000	0	0	0	1,800,000
Highways & Footways	Highways bridges & structures	260,000	0	486,670	0	746,670	260,000	0	0	0	260,000	260,000	0	0	0	260,000
Highways & Footways	Culverts Upgrade	0	0	253,070	0	253,070	0	0	0	0	0	0	0	0	0	0
Highways & Footways	ANPR Cameras School Streets	200,000	0	0	0	200,000	200,000	0	0	0	200,000	0	0	0	0	0
Cycle Route Improvements	Pollard Hill Cycl & Act Travel	750,000	0	0	0	750,000	850,000	0	0	0	850,000	0	0	0	0	0
Wimbledon Area Regeneration	Crowded Places-Hostile Vehicl	0	0	180,000	0	180,000	0	0	0	0	0	0	0	0	0	0
Wimbledon Area Regeneration	Wimb Public Realm Implement	0	0	494,880	0	494,880	0	0	0	0	0	0	0	0	0	0
Wimbledon Area Regeneration	Wimb Vill Herit Led Pble Realm	0	0	699,870	0	699,870	0	0	0	0	0	0	0	0	0	0
Morden Area Regeneration	Morden TC Regen Match Funding	2,000,000	0	(2,000,000)	0	0	2,000,000	0	2,000,000	0	4,000,000	2,000,000	0	0	0	2,000,000
Borough Regeneration	Shop Front Improvement	800,000	0	10,000	0	810,000	460,000	0	190,000	0	650,000	0	0	0	0	0
Borough Regeneration	42 Graham Rd	0	0	50,000	0	50,000	0	0	0	0	0	0	0	0	0	0
Borough Regeneration	Carbon Offset Funding	0	0	50,000	0	50,000	0	0	0	0	0	0	0	0	0	0
Borough Regeneration	Community Retrofit Loan	0	0	140,000	0	140,000	0	0	0	0	0	0	0	0	0	0
Borough Regeneration	Business Retrofit Support	125,000	0	(50,000)	0	75,000	125,000	0	(25,000)	0	100,000	0	0	75,000	0	75,000
Borough Regeneration	Civic Pride Pub Realm Improve	1,500,000	(100,000)	(310,000)	0	1,090,000	1,500,000	(50,000)	(520,000)	0	930,000	0	0	0	0	0
Morden Leisure Centre	New Running Track	1,500,000	0	0	0	1,500,000	850,000	0	0	0	850,000	0	0	0	0	0
Wimbledon Park Lake and Wa	Wimb Prk Lk Build inc WSport C	0	0	0	0	0	500,000	0	0	0	500,000	2,000,000	0	0	0	2,000,000
Sports Facilities	Leisure Centre Plant & Machine	250,000	0	0	0	250,000	250,000	0	0	0	250,000	280,000	0	0	0	280,000
Parks	Parks Investment	300,000	0	0	0	300,000	300,000	0	0	0	300,000	300,000	0	0	0	300,000
Parks	New water play feature Wimb Pk	183,000	0	0	0	183,000	0	0	0	0	0	0	0	0	0	0
Parks	Playground Priority Upgra Prog	350,000	0	0	0	350,000	350,000	0	0	0	350,000	350,000	0	0	0	350,000
Parks	New Green Flag Improve Prog	150,000	0	0	0	150,000	100,000	0	0	0	100,000	0	0	0	0	0
Parks	Bridges and Structures	80,000	0	(49,000)	0	31,000	80,000	0	0	0	80,000	80,000	0	0	0	80,000
Parks	Tennis Court Major Resurfacing	75,000	0	(39,410)	0	35,590	75,000	0	0	0	75,000	75,000	0	0	0	75,000
Parks	Wandle Tree Safe & Man Prog	60,000	0	0	0	60,000	60,000	0	0	0	60,000	0	0	0	0	0
Parks	Park Security Meas & Trav Prev	50,000	0	0	0	50,000	50,000	0	0	0	50,000	0	0	0	0	0
Parks	Exist Green Flag Improve Prog	150,000	0	0	0	150,000	100,000	0	0	0	100,000	0	0	0	0	0
Mortuary Provision	Project General	100,000	0	0	0	100,000	100,000	0	0	0	100,000	100,000	0	0	0	100,000
	Environment and Regeneration	14,487,000	0	(68,920)	0	14,418,080	33,613,000	0	1,645,000	0	35,258,000	10,169,000	0	95,000	0	10,264,000
	Total Capital	43,601,010	0	(2,308,760)	0	41,292,250	57,123,850	0	1,635,000	0	58,758,850	35,950,930	0	5,954,190	0	41,905,120

Funding the Budgeted Capital Programme 2023-24

Appendix 2d

Department	Revised Budget 2023-24	Neighbourhood CIL 70010	Section 106 70009	Revenue Contribs 70008	TfL 70007	Ringfenced Grants 70006	Grants 70005	Contribs 70004	Strategic CIL 70003	Capital Receipts 70002	Borrowing 70001
Corporate Services	24,102,870	0	0	(1,167,090)	0	(2,081,000)	0	(13,933,650)	0	0	6,921,130
Community and Housing	6,101,990	0	(4,630,980)	0	0	(952,990)	0	0	0	0	518,020
Children, Schools and Families	6,872,500	(11,701)	0	0	0	(5,750,017)	0	(363,763)	(452,900)	(165,000)	129,119
Environment and Regeneration	20,402,990	(1,545,413)	(295,500)	(290,440)	(1,722,630)	(424,695)	0	(858,650)	(6,018,792)	0	9,246,870
Generally Applied to Programme	0	0	0	(73,000)	0	0	0	0	0	(735,000)	(808,000)
Total	57,480,350	(1,557,114)	(4,926,480)	(1,530,530)	(1,722,630)	(9,208,702)	0	(15,156,063)	(6,471,692)	(900,000)	16,007,139

Funding the Budgeted Capital Programme 2024-25

Department	Revised Budget 2024-25	Neighbourhood CIL 70010	Section 106 70009	Revenue Contribs 70008	TfL 70007	Ringfenced Grants 70006	Grants 70005	Contribs 70004	Strategic CIL 70003	Capital Receipts 70002	Borrowing 70001
Corporate Services	8,525,160	0	0	(1,216,407)	0	(1,055,593)	0	0	0	0	6,253,160
Community and Housing	6,352,000	0	0	0	0	(827,000)	0	0	0	0	5,525,000
Children, Schools and Families	11,997,010	0	0	0	0	(11,485,571)	0	0	(511,439)	0	0
Environment and Regeneration	14,418,080	0	(50,000)	(215,000)	0	0	0	0	(4,575,660)	0	9,577,420
Generally Applied to Programme	0	0	0	(73,000)	0	0	0	0	0	(900,000)	(973,000)
Total	41,292,250	0	(50,000)	(1,504,407)	0	(13,368,164)	0	0	(5,087,099)	(900,000)	20,382,580

Funding the Budgeted Capital Programme 2025-26

Department	Revised Budget 2025-26	Neighbourhood CIL 70010	Section 106 70009	Revenue Contribs 70008	TfL 70007	Ringfenced Grants 70006	Grants 70005	Contribs 70004	Strategic CIL 70003	Capital Receipts 70002	Borrowing 70001
Corporate Services	3,430,000	0	0	0	0	0	0	0	0	0	3,430,000
Community and Housing	16,592,000	0	(1,728,000)	0	0	(827,000)	0	0	0	0	14,037,000
Children, Schools and Families	3,478,850	0	0	0	0	(2,500,000)	0	0	(978,850)	0	0
Environment and Regeneration	35,258,000	0	0	(100,000)	0	0	0	0	(6,616,290)	0	28,541,710
Generally Applied to Programme	0	0	0	(55,000)	0	0	0	0	0	(500,000)	(555,000)
Total	58,758,850	0	(1,728,000)	(155,000)	0	(3,327,000)	0	0	(7,595,140)	(500,000)	45,453,710

Funding the Budgeted Capital Programme 2026-27

Department	Revised Budget 2026-27	Neighbourhood CIL 70010	Section 106 70009	Revenue Contribs 70008	TfL 70007	Ringfenced Grants 70006	Grants 70005	Contribs 70004	Strategic CIL 70003	Capital Receipts 70002	Borrowing 70001
Corporate Services	13,606,260	0	0	0	0	0	0	0	0	0	13,606,260
Community and Housing	14,634,860	0	0	0	0	(309,860)	0	0	0	0	14,325,000
Children, Schools and Families	3,400,000	0	0	0	0	(2,500,000)	0	0	(900,000)	0	0
Environment and Regeneration	10,264,000	0	0	(75,000)	0	0	0	0	(2,820,000)	0	7,369,000
Generally Applied to Programme	0	0	0	(45,000)	0	0	0	0	0	(500,000)	(545,000)
Total	41,905,120	0	0	(120,000)	0	(2,809,860)	0	0	(3,720,000)	(500,000)	34,755,260

Cabinet

Date: 19 June 2023

Subject: Budget 2024/25 and MTFS 2024-28

Lead officer: Roger Kershaw – Finance and Digital

Lead member: Councillor Billy Christie - Cabinet Member for Finance and Corporate Services

Contact Officer: Roger Kershaw

Recommendations:

1. That Cabinet notes the approach to rolling forward the MTFS for 2024-28
 - 2 That Cabinet note the initial reallocation of budgets to reflect the new Council structure into six directorates
 - 3 That Cabinet agrees the approach to strengthening transparency in financial management, and the revised process for the 2024/25 budget round.
-

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

- 1.1 This report presents an initial review of the Medium Term Financial Strategy and updates it for development as part of the business planning process for 2024/25.
- 1.2 The report sets out proposed revisions to the budget process to strengthen transparency in financial management as an approach towards setting a balanced budget for 2024-2028.
- 1.3 A key element of the report is to set out the budget in the new management structure featuring the six new directorates compared to the previous four departments which were included in the budget papers agreed by Council in March 2023. The realignment is an initial step and it is acknowledged that further movement of budget may be needed as the financial year proceeds.
- 1.4 Given the current high level of uncertainty over a range of factors that have the potential to impact significantly on the MTFS there is a sensitivity analysis of a number of issues including the potential impact across the MTFS period of current issues that impact on local government such as the continuing current high level of inflation and also specific issues such as addressing the DSG deficit.

Details

2. Changes to the Budget Process and Timetabling

- 2.1 A lot was achieved in a short time to complete the MTFS work for 2023/24 onwards despite a late start in the process whilst also ensuring a wider engagement and transparency in the mechanics of the budget. We are now in a position to take a more measured and systematic approach to the MTFS process for 2024/25 onwards.
- 2.2 A key objective during this financial year will be to strengthen our Financial Management Framework, the key components of which are:
- Financial Governance and Leadership – top management are financially literate and understand the Council's financial environment.
 - Financial Planning – ensuring strong links between the strategic plan and the Financial Plan.
 - Financial decision making – reviewing where budgets are aligned to achieve strategic and corporate plans.
 - Financial monitoring and forecasting – strengthening financial monitoring and budget ownership.
 - Financial Reporting – that budget managers receive accurate, timely and intelligible financial information and are properly supported by Finance colleagues.

3. **Medium Term Financial Strategy 2024-28**

3.1 **Background**

Council on 1 March 2023 agreed the Budget 2023/24 and MTFS 2023-27. It was a significant achievement to set a balanced budget for both 2023/24 and 2024/25 but there is a gap remaining in future years which needs to be addressed, and in 2027/28 the gap increases significantly mainly due to the impact of the capital programme as shown in the following table:-

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
MTFS gap (cumulative)	0	2,296	3,836	13,533

- 3.2 The initial phase of the business planning process is to re-price the MTFS and roll it forward for an additional year. Development of the MTFS in recent budget processes allowed for various scenarios on a range of key variables to be modelled and it is intended to do the same this year and where feasible, to improve the approach to modelling.

Regular updates will be provided throughout the year as part of Business Planning reports for the MTFS period 2024-28 and the estimated impact of inflation, the capital programme and other significant budget issues incorporated into the forecast.

Budget Restructure

The Council on 1 March 2023 agreed a balanced budget.as follows:-

MTFS 2023-27	2023/24
Council 1 March 2023	Original Estimate
	£000
Corporate Services	14,760
Children, Schools and Families	69,531
Environment and Regeneration	18,001
Community and Housing	75,525
TOTAL NET SERVICE EXPENDITURE	177,816
Corporate Provisions/Appropriations	(177,816)
NET EXPENDITURE	0

Council on 14 September 2022 agreed a senior Council restructure which includes an increase from four service department directorates to six new directorates.

An initial reallocation of budgets has been undertaken and is set out in the table below. It includes virement from the corporate budget for service related expenditure (e.g. Executive Director salaries)

	2023/24
	Current Estimate
	£000
Initial Budget Allocations to six new directorate	
Innovation and Change	3,094
Finance and Digital	11,985
Housing and Sustainable Development	4,442
Environment, Civic Pride and Climate	21,011
Children, Lifelong Learning and Families	69,565
Adult Social Care, Integrated Care and Public Health	68,565
TOTAL NET SERVICE EXPENDITURE	178,662
Corporate Provisions/Appropriations	(178,662)
NET EXPENDITURE	0

It is expected that it will be necessary to make some further changes to budget allocations during the year as greater understanding of service needs and operations develops

3.3 Review of Assumptions

The pay and price calculations have been reviewed using the approved budget for 2023/24 as the starting point.

3.3.1 Pay

a) Pay Negotiations 2023/24

For 2023/24 the final pay award has not been agreed but provision of 3% was included in the MTFS. However, pay negotiations have begun and unions, UNISON, GMB and Unite, representing 1.4 million council and school employees, submitted a pay claim for staff in England, Wales and Northern Ireland as follows:-

- An increase of RPI + 2% on all spinal column points
- Consideration of a flat rate increase to hourly rates of pay in order to bring the minimum rate up to £15 per hour within two years
- A review and improvement of NJC terms for family leave and pay
- A review of job evaluation outcomes for school staff whose day to day work includes working on Special Educational Needs (SEN)
- An additional day of annual leave for personal or well-being purposes
- A homeworking allowance for staff for whom it is a requirement to work from home
- A reduction in the working week by two hours
- A review of the pay spine, including looking at the top end, and discussions about the link between how remuneration can be used to improve retention

The Local Government Employers have responded with an offer of:-

- A one year (1 April 2023 – 31 March 2024) pay increase of £1,925 (pro rata for part-time employees) to be paid as a consolidated, permanent addition on all NJC points 2-43 inclusive.
- An increase of 3.88% on all allowances (as listed in the 2022 NJC Pay Agreement Circular dated 1st November 2022).

In response to the other elements of the pay claim, the employer's position is:

- National employers propose that exploratory 'without prejudice' informal discussions are undertaken to map out considerations of how and when the pay spine may be reviewed.
- To enter into discussions on the broader family leave and pay issues raised in the claim.

- A review of all school support staff role profiles to be undertaken by the Job Evaluation Technical Working Group.

The employers rejected the following elements of the pay claim:-

- Consideration of a flat rate increase to a minimum rate of £15 per hour within two years.
- Establishing model role profiles for school support staff jobs, with advisory banding structures.
- A homeworking allowance for staff for whom it is a requirement to work from home.
- A reduction in the working week by two hours.

Unions will now engage further with employers on this offer.

It will be necessary to estimate the overall increase in pay arising from this offer and the extent to which it exceeds the 3% budget provision will require additional ongoing funding which will increase the MTFS budget gap. Each additional 1% will increase the MTFS gap by c. £1m on an ongoing basis.

b) Future Provision for Pay 2024-2028:-

Given the current position regarding pay award negotiations it is proposed to increase the provision for pay to 3% in 2024/25. The additional cost, compared to the 2% provision in the MTFS approved by Council in March 2023 is as follows:-

Provision for Pay Inflation:

(Cumulative £000)	2024/25	2025/26	2026/27	2027/28
Pay inflation (%)	2.0%	2.0%	2.0%	2.0%
MTFS 2023-27(Council 1/3/23)	1,983	3,966	5,925	7,932
Pay inflation (%)	3.0%	2.0%	2.0%	2.0%
MTFS 2023-27 (Latest)	2,975	4,958	6,917	8,924
Change (cumulative £000)	992	992	992	992

3.3.2 Prices

The current assumptions regarding price inflation incorporated into the MTFS are

- 2.0% in 2024/25 and 1.5% in each subsequent year of the MTFS

The MTFS agreed by Council on 1 March 2023 includes the following provision for price inflation

Provision for Prices Inflation:

	2024/25	2025/26	2026/27	2027/28
Price inflation in MTFS (%)	2.0%	1.5%	1.5%	1.5%
Original MTFS 2023-27 (cumulative £000)	3,043	5,325	7,608	9,890

Given the persisting high level of inflation, this has been reviewed assuming a 3% provision in 2024/25:-

(Cumulative)	2024/25	2025/26	2026/27	2027/28
Price inflation (%)	3.0%	1.5%	1.5%	1.5%
Revised Estimate (cumulative £000)	4,565	6,847	9,130	11,412

Each 1% of price inflation costs c. £1.5m.

Net change in Pay and Price inflation provision:

The overall change in inflation provision since Council in March 2023 is

(Cumulative) (£000)	2024/25	2025/26	2026/27	2027/28
Latest Inflation estimate	7,540	11,805	16,047	20,336
Original MTFS 2023-27 (Council March 2023)	5,026	9,291	13,533	17,822
Change	2,514	2,514	2,514	2,514

Current inflation

The Consumer Prices Index (CPI) rose by 8.7% in the 12 months to April 2023, down from 10.1% in March. On a monthly basis, CPI rose by 1.2% in April 2023, compared with a rise of 2.5% in April 2022. Electricity and gas prices contributed 1.42 percentage points to the fall in annual inflation in April as last April's rise dropped out of the annual comparison, but this component still contributed 1.01 percentage points to annual inflation. Food and non-alcoholic beverage prices continued to rise in April and contributed to high annual inflation, however, the annual inflation rate of food and non-alcoholic beverages eased, from 19.2% in the year to March 2023, to 19.1% in the year to April 2023.

Core CPI (excluding energy, food, alcohol and tobacco) rose by 6.8% in the 12 months to April 2023, up from 6.2% in March, which is the highest rate since March 1992; the CPI goods annual rate eased from 12.8% to 10.0%, while the CPI services annual rate rose from 6.6% to 6.9%.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 7.8% in the 12 months to April 2023, down from 8.9% in March. On a monthly basis, CPIH rose by 1.2% in April 2023, compared with a rise of 2.1% in April 2022.

The RPI rate for April 2023 was 11.4%, which is down from 13.5% in March 2023.

Outlook for inflation:

The Bank of England’s Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment.

At its meeting ending on 10 May 2023, the MPC voted by a majority of 7–2 to increase Bank Rate by 0.25 percentage points, to 4.5%. Two members preferred to maintain Bank Rate at 4.25%.

The next Bank of England MPC base rate decision is on 22 June 2023.

In the minutes to the May meeting, the MPC gave a slightly more optimistic economic outlook stating that “there has been upside news to the near-term outlook for global activity, with UK-weighted world GDP now expected to grow at a moderate pace throughout the forecast period. Risks remain but, absent a further shock, there is likely to be only a small impact on GDP from the tightening of credit conditions related to recent global banking sector developments.”

Although inflation was 10.2% in the first quarter of 2023 and slightly higher than forecast the MPC forecast that “CPI inflation is expected to fall sharply from April, in part as large rises in the price level one year ago drop out of the annual comparison. In addition, the extension in the Spring Budget of the Energy Price Guarantee and declines in wholesale energy prices will both lower the contribution from household energy bills to CPI inflation. However, food price inflation is likely to fall back more slowly than previously expected.”

In terms of outlook over the MTFSS period, “in the MPC’s latest modal projection conditioned on market interest rates, CPI inflation declines to a little above 1% at the two and three-year horizons, materially below the 2% target. This reflects the emergence of an increasing degree of economic slack and declining external pressures that are expected to reduce CPI inflation.”

There are risks around the projections which are related to inflation in wages and domestic prices which take longer to unwind than they did to emerge. The Bank of England also published the May 2023 Monetary Policy Report on 10 May.

In this report the MPC include forecast quarterly CPI inflation rates over the next three years as follows:-

2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026
Qtr2	Qtr.3	Qtr.4	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr.1	Qtr.2
CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %
8.2	7.0	5.1	4.4	3.4	2.9	2.3	1.5	1.1	1.0	1.0	1.1	1.2

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 (May 2023)			
	Lowest %	Highest %	Average %
2023 (Quarter 4)			
CPI	2.4	6.9	4.1
RPI	3.1	11.0	5.9
LFS Unemployment Rate	3.2	5.0	4.2
2024 (Quarter 4)			
CPI	0.5	4.3	2.5
RPI	0.4	5.4	3.3
LFS Unemployment Rate	2.8	5.1	4.4

Note the wide range between highest and lowest forecasts which reflects the volatility and uncertainty arising from volatile fuel and utility costs impacting on the cost of living and the difficulty of forecasting how the situation will evolve. Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

Independent medium-term projections for the calendar years 2023 to 2027 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (May 2023)					
	2023	2024	2025	2026	2027
	%	%	%	%	%
CPI	6.8	2.9	2.0	2.1	2.2
RPI	9.1	3.9	2.6	3.0	3.4
LFS Unemployment Rate	4.0	4.2	4.2	4.2	4.2

3.3.3 Provision for Excess Inflation:

There is also a corporate provision which is held to assist services that may experience price increases greatly in excess of the budgeted inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand. The provision was increased significantly in the budget agreed by the Council in March 2023 because of the cost of living crisis and persistently high level of inflation.

The provision in the MTFS is currently :-

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Budget in MTFS 2023-27	3,808	3,808	3,808	3,808

The cash limiting strategy is not without risks and if the inflation rate fails to return to the Government's 2% target levels of inflation by 2025/26 it will lead to further pressure on service budgets.

Work is currently ongoing with Directorates to assess the impact, service by service of the prevailing levels of inflation. This will be fed into future MTFS updates.

3.3.4 London Living Wage (LLW) and Living Wage Employer Accreditation

Merton received accreditation as a Living Wage Employer in February 2023 and will introduce the Real Living Wage into Merton contracts - as and when the contracts come up for re-tendering

The MTFS 2023-27 currently includes provision for the additional cost of implementing the LLW for its contracts as follows:-

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Provision in MTFS 2023-27	711	2,382	2,430	2,478	2,478

The provision needs to be reviewed and regularly updated to ensure that the MTFS reflects the latest forecast cost of renewing council contracts.

3.4 **Income**

3.4.1 The MTFS has not in recent years included targets for increased income from fees and charges in respect of inflation or for other reasons. However, in the business planning process service departments have been able to identify increased income as part of their savings proposals and increased income currently makes up c.37% of future savings.

3.4.2 It is intended to introduce a Council-wide annual income fees and charges report to provide transparency and consistency to proposed increases and that this be incorporated into the MTFS process and updated as part of annual budget setting..

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

3.5.1 Background

The main elements of financial planning that are expected to impact on budget setting for 2024/25 are summarised as follows

Spending Review

Spending Reviews set out departmental Resource and Capital Departmental Expenditure Limits for forthcoming years. Details from the Spending Review will form the basis of allocations to local authorities for 2024-28 and beyond as announced in the Local Government Finance Settlement 2024-25. The total amount of funding available for local authorities is essentially determined by the amount of resources that Central Government has allocated as part of its annual Departmental Expenditure Limit.

Local Government Finance Settlement 2024/25 -

The government will set out key determinants such as council tax referendum principles, Settlement Funding Assessments, Core Spending Power and funding allocations for all local authorities in a provisional Settlement in December 2023 and final figures will be announced in January/February 2024.

3.5.2 The current level of resources included in the draft MTFS 2023-27 as agreed by Council in March 2023 is as follows:-

DRAFT MTFS 2023-27:				
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Revenue Support Grant	0	0	0	0
*Business Rates (inc. Section 31 grant)	*(41,216)	*(41,658)	*(42,105)	*(42,556)
Adult Social Care Grants inc. BCF	(5,010)	(5,010)	(5,010)	(5,010)
Social Care Grant	(6,282)	(6,282)	(6,282)	(6,282)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(300)	(300)	(300)	(300)
Corporate Funding in the MTFS	(57,605)	(58,047)	(58,494)	(58,945)

These figures currently assume that there is an annual 1% uplift to the Business Rate multiplier.

Updates will be provided in future reports as part of the Business Planning process.

3.5.3 Social Care Funding

Social Care Grant – Government grant funding of £10.430m was received in 2023/24 and was allocated as follows:-

	£000
Children's Social Care	6,170
Adult Social Care	4,260
Total	10,430

It is assumed that this level of funding will continue in the MTFS 2024-28.

3.5.4 Business Rates - Update

Updates will be provided as the Business Plan process develops.

3.6 **Council Tax and Collection Fund**

3.6.1 Council Tax

The Council Tax income forecast in the current MTFS agreed by Council in March 2023 assumes that the Council Tax Base will increase by 0.5% per year with a collection rate 98.75% from 2024/25 to 2027/28. It also assumes the following changes in Council Tax over the MTFS period:-

	2024/25 %	2025/26 %	2026/27 %	2027/28 %
Council Tax increase - General	2.0%	2.0%	2.0%	2.0%
Council Tax increase – ASC*	2.0%	0%	0%	0%

On the basis of these assumptions the Council Tax income included over the period of the MTFS is:-

(Cumulative figures exc. WPC)	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Council Tax - No change in rate	113,019	113,562	113,893	114,902
Council Tax – General (2%)	2,264	4,549	6,859	9,191
Council Tax – ASC (2% in 2024/25)	2,264	2,275	2,287	2,298
Council Tax income	117,547	120,386	123,038	126,391

The Council Tax Referendum Principles for 2024/25 were announced as part of the Local Government Finance Settlement 2023/24. For 2024-25, the core council tax referendum principles will continue the same as 2023-24. The government has confirmed that the referendum limit for increases to council tax will remain at 3% per year. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year. Councils can set higher increases if they wish via the consent of a local referendum.

There are several main issues that need to be considered when formulating a council tax strategy for the MTFS period 2024-28:-

- i) To what extent will the high cost of living inflation impact on collection rates in 2024/25 and beyond?
- ii) Will the Government revise the referendum principles to enable Councils to set higher council tax levels as part as a move towards balancing budgets from local taxation?

- iii) What impact will the high level of inflation have on the level on collection rates in 2023/24 and therefore what level of budget deficit relating to council tax will it be necessary to fund in 2024/25 ? (This will be reflected in a Collection Fund deficit as at 31 March 2024)

The Council Tax Base will be updated later in the year following the return of the Government's CTB statistical return, usually in October, which is based on properties on the valuation list in September. The collection rate will impact on the council tax base.

3.6.2 Collection Fund

In the MTFs approved by Council on 1 March 2023, the shares to preceptors of the collection surplus/deficit for Council Tax and NNDR based on the estimated Collection Fund balance at 31 March 2023 are summarised in the following table:-

	Surplus/ (deficit) as at 31/03/23 Estimate Council Tax	Surplus/ (deficit) as at 31/03/23 Estimate NNDR	Total surplus/ (deficit) as at 31/03/23
	£000	£000	£000
Central Government	N/A	(1,860)	(1,860)
GLA	314	(2,085)	(1,771)
Merton	1,018	(1,690)	(672)
Total	1,332	(5,635)	(4,303)

3.6.3 Merton's share of the surplus/deficit for council tax and NNDR were built into the MTFs agreed by Council in March 2023.

3.6.4 Since then, the Council has produced its draft 2022/23 accounts as at 31 March 2023 which are currently being audited. The draft accounts for 2022/23 include the following surplus/deficit for Council Tax and NNDR as at 31 March 2023.

	Surplus/ (deficit) as at 31/03/23 Outturn	Surplus/ (deficit) as at 31/03/23 Outturn	Total surplus/ (deficit) as at 31/03/23
	Council Tax £000	NNDR £000	£000
Central Government	N/A	(22)	(22)
GLA	397	(28)	369
Merton	1,296	(23)	1,273
Total	1,693	(73)	1,620

3.6.5 The overall change in shares of surpluses/deficits is:-

	Surplus/ (deficit) as at 31/03/23	Surplus/ (deficit) as at 31/03/23	Total surplus/ (deficit) as at 31/03/23
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	1,838	1,838
GLA	83	2,057	2,140
Merton	278	1,667	1,945
Total	361	5,562	5,923

3.6.6 The net change in Merton's share of the surplus/deficit is therefore:-

	Estimated Surplus/ (deficit) as at 31/03/23	Outturn Surplus/ (deficit) as at 31/03/23	Surplus/ (deficit) as at 31/03/23 Change
	£000	£000	£000
Council Tax	1,018	1,296	278
NNDR	(1,690)	(23)	1,667
Total	(672)	1,273	1,945

3.6.7 There is no change to the surplus/deficit figures agreed for 2023/24 as all variations are managed via the Collection Fund. However, the net surplus of £1.945m will need to be taken into account when calculating the Merton General Fund's share of any surplus/deficit due to/from the Collection Fund in 2024/25.

3.6.8 The calculation of the estimated surplus/deficit on the Collection Fund as at 31 March 2024 will be made later in the budget process when key variables are firmed up and council tax base and NNDR returns have been completed. Until this time, the increase in the net surplus carried forward from 2022/23 of £1.945m will be included in the draft MTFS for 2024/25.

3.7 Reserves – Review of Earmarked Reserves

3.7.1 Reserve for Use in Future Year's Budgets

The Business Plan and MTFS for 2023-2027 approved by Council on 1 March 2023 made a determined effort to reduce the reliance of balancing the budget on the use of reserves.

Following the final accounts process for 2022/23 (subject to audit), the balance on the Reserve for use in Future Year's Budgets (subject to audit) on 31 March 2023 is £9.882m.

Consideration will be given over the forthcoming budget process as to the level of reserve needed as cover and any excess can be released for other purposes.

It should be recognised that the use of reserves is a one-off form of funding and alternative ongoing savings would need to be identified to address the budget gap over the long-term.

3.7.2 Review of Earmarked Reserves

The use and availability of Reserves is monitored throughout the year as part of the monthly monitoring process.

It should be recognised that reserves are a one-off source of funding and should not be used to fund ongoing expenditure commitments.

3.8 **Review of Outturn 2022/23 and Current Budget and Spending 2023/24**

3.8.1 There may be issues identified during the final accounts process and from monthly monitoring that have on-going financial implications which need to be addressed in setting the budget for 2024-28.

3.8.2 COVID-19

It is not expected that COVID-19 will have a significant impact in 2023/24 although there may be some reconciliations required relating to some government funding.

3.8.3 Savings under pressure

Monitoring of the delivery of savings is important and it is essential to recognise as quickly as possible where circumstances change and savings previously agreed are either not achievable in full or in part or are delayed. If this is the case, departments will need to identify replacement savings from elsewhere within their overall budgets. If it is not possible to find replacements, if any of the savings included in the MTFs approved by Council in March 2023 are not achieved this will result in an increase in the budget gap and increase pressure on services. Any projected shortfall in savings of will add to the budget gap and make it more difficult to achieve the balanced budget that is a statutory requirement.

Progress on delivering agreed savings will be regularly reported as part of monthly monitoring and any ongoing implications will need to be considered as part of the budget and MTFs process for 2024-28.

4. Re-priced MTFS 2024-28

4.1 As indicated in the report, there have been a number of changes to information and data to factors which impact on the Council's MTFS and budget gap.

4.2 The net result of making these adjustments is to amend the forecast budget gap to the following:-

(cumulative)	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
MTFS Gap (Council March 2023)	0	2,296	3,836	13,533
Ongoing impact of 3% pay award in 2023/24	992	992	992	992
Impact of increased pay and price inflation in 2024/25	2,513	2,513	2,513	2,513
Collection Fund (Surplus)/Deficit change on outturn	(1,945)	0	0	0
Revised MTFS Gap 2024-28	1,560	5,801	7,341	17,039

4.3 The revised gap assumes no additional use of reserves and savings at this stage.

5. MTFS Issues and Proposed Process for the 2024/25 Budget Round

5.1 There has been a substantial improvement in the council's strategic approach to business planning in recent years and it is important that this is maintained. Planning should be targeted towards the achievement of a balanced budget over the four year MTFS period.

5.2 To complete the work started on the Capital Programme in Autumn 2022 there still needs to be a sift of the schemes currently in the programme to avoid the need to borrow externally in future years. It is worth noting that this review will need to reflect the work that is progressing on identifying sites suitable for Housing and the extent to which Capital Receipts may be specifically earmarked for funding Housing development rather than funding the general Capital Programme.

Further revision is required to the Capital Programme as the current programme is oversubscribed if the need to undertake new external borrowing is to be avoided. This further review will identify if it is a realistic aspiration to avoid borrowing against the capital programme for at least the next 5 years.

The root and branch review of the Capital Programme management and delivery started during 2022 and urgently needs to be concluded to address the degree of optimism bias exhibited by scheme managers leading ultimately to

excessive slippage throughout the year. This will also require a review of the work of the Capital Programme Board together with its composition and chair.

6. Approach to Setting a Balanced Budget

- 6.1 This is the initial report on the business planning process for 2024/25 and there is a great deal of work to be done.
- 6.2 A further report will be brought to Cabinet setting out how savings and growth proposals will be determined.

7. Alternative Options

- 7.1 The range of options available to the Council relating to the MTFs 2024-28 and for setting a balanced revenue budget and fully financed capital programme will be presented in reports to Cabinet and Council.

8. Consultation Undertaken or Proposed

- 8.1 All relevant bodies have been consulted.

9. Timetable

- 9.1 In accordance with current financial reporting timetables.

10. Financial, resource and property implications

- 10.1 As contained in the body of the report.

11. Legal and statutory implications

- 11.1 As outlined in the report.

12. Human rights, equalities and community cohesion implications

- 12.1 None for the purposes of this report, these will be dealt with as the budget is developed for 2024-28

13. Crime and Disorder Implications

- 13.1 Not applicable.

14. Risk Management and health and safety implications

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

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

Appendix 1 – Revised MTFS 2024-28

16. Background Papers

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

2022/23 Budgetary Control and Final Accounts Working Papers in the Corporate Services Department.

2023/24 Budget Monitoring working papers

MTFS working papers

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DRAFT MTFS 2024-28:				
	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
Departmental Base Budget 2022/23	188,790	188,790	188,790	188,790
Inflation (Pay, Prices)	14,051	18,517	22,648	26,620
NI increase	0	0	0	0
Pension Fund Revaluation	48	72	96	120
FYE – Previous Years Savings	(315)	(814)	(844)	(844)
FYE – Previous Years Growth	(355)	(332)	(332)	(332)
Amendments to previously agreed savings/growth	0	0	0	0
Change in Net Appropriations to/(from) Reserves	0	0	0	0
Taxi card/Concessionary Fares	2,705	4,879	7,053	9,227
Social Care - Additional Spend offset by grant/precept	(2,453)	(2,453)	(2,453)	(2,453)
Growth	0	0	0	0
DSG Safety Valve	0	0	0	0
Provision - DSG Deficit	1,130	700	(3,600)	0
Contract increases	0	2,700	3,900	3,900
Other	(4,286)	(4,206)	(4,126)	(4,046)
Re-Priced Departmental Budget	199,315	207,853	211,132	220,982
Treasury/Capital financing	4,937	4,819	6,799	11,880
Pensions	0	0	0	0
Other Corporate items	(19,989)	(20,452)	(20,047)	(20,442)
Levies	635	635	635	635
Sub-total: Corporate provisions	(14,417)	(14,998)	(12,613)	(7,927)
Sub-total: Repriced Departmental Budget + Corporate Provisions	184,898	192,855	198,519	213,055
Savings/Income Proposals 2023/24	0	0	0	0
Sub-total	184,898	192,855	198,519	213,055
Appropriation to/from departmental reserves	(843)	(843)	(843)	(843)
Appropriation to/from Balancing the Budget Reserve	1,449	29	0	0
ONGOING IMPACT OF COVID-19 (NET)	0	0	0	0
BUDGET REQUIREMENT	185,504	192,041	197,676	212,212
Funded by:				
Revenue Support Grant	0	0	0	0
Business Rates (inc. Section 31 grant)	(46,704)	(48,105)	(49,548)	(51,035)
Adult Social Care Grants inc. BCF	(5,010)	(5,010)	(5,010)	(5,010)
Social Care Grant	(7,518)	(7,518)	(7,518)	(7,518)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	0	0	0	0
Council Tax inc. WPCC	(117,970)	(120,810)	(123,462)	(126,814)
Targeted Council Tax Discount	0	0	0	0
Collection Fund – (Surplus)/Deficit	(1,945)	0	0	0
ASC Market Sustainability and Improvement Fund	0	0	0	0
ASC Discharge Fund	0	0	0	0
Services Grant	0	0	0	0
TOTAL FUNDING	(183,944)	(186,240)	(190,336)	(195,174)
GAP including Use of Reserves (Cumulative)	1,560	5,801	7,341	17,039