

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: Thursday 16 November 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.
The meeting will be livestreamed.

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

16 November 2023

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14	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).	
15	Item 8 - Exempt Appendices	Exempt Pack
16	Item 12 - Exempt Appendix	Exempt Pack

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

16 OCTOBER 2023

(7.15 pm - 7.18 pm)

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

ATTENDING REMOTELY Councillor Stephen Alambritis and Councillor Andrew Judge

ALSO PRESENT Hannah Doody (Chief Executive), Polly Cziok (Executive Director of Innovation & Change), Dan Jones (Executive Director, Environment, Civic Pride & Climate), Jane McSherry (Executive Director of Children, Lifelong Learning and Families), John Morgan (Executive Director, Adult Social Care, Integrated Care and Public Health), Asad Mushtaq (Executive Director of Finance & Digital), Lucy Owen (Executive Director of Housing & Sustainable Development), John Scarborough (Managing Director, South London Legal Partnership) and Amy Dumitrescu (Democracy Services Manager)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

There were no apologies for absence. Councillors Alambritis and Judge attended remotely.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 18 September 2023 are agreed as an accurate record.

4 INTEGRATED SEXUAL HEALTH (ISH) SERVICES PROCUREMENT (Agenda Item 4)

The Cabinet Member for Health and Social Care presented the report, providing an overview of the recommendations and noting that the process was being run in collaboration with colleagues from Wandsworth and Richmond.

RESOLVED:

That Cabinet:

A. Approved procurement approach (option 3) to procure Integrated Sexual Health (ISH) services jointly with Wandsworth and Richmond council following a competitive tender approach, with Wandsworth as lead commissioner. All Merton governance processes will still be adhered to. The Council through the Director of Public Health has a statutory responsibility to commission and provide open access sexual and reproductive health services.

B. Approved the 3-year contract term plus the option to extend for a further period of up to 2 + 2 years for the new ISH service (potential total contract length of 7 years) C. Approved procurement timeline to award contract by March 2024 and initiate 6-month mobilisations period for a new contract to start 1st October 2024

D. Approved indicative financial envelope for the contract which will be finalised once a successful provider has been awarded the contract (indicative budget rather than a maximum ceiling budget has been set to encourage the market).

E. Approved that authority be delegated to the Executive Director of Adult Social Care, (ASC), Integrated Care and Public Health to approve award of the contract to the successful provider following procurement. This will allow alignment of procurement timelines with Wandsworth and Richmond councils.

F. Approved authority to take up the optional extensions on the contract be delegated to the Chief Officer and Executive Director of Adult Social Care (ASC), Integrated Care and Public Health in consultation with the Lead Member

5 REVENUES AND BENEFITS SYSTEM CONTRACT (Agenda Item 5)

The Cabinet Member for Finance and Corporate Services presented the report, which recommended procurement of a cloud version of the service which would be more secure and resilient in the face of cyber threats. It was noted this was a 7 year contract with a two year extension.

RESOLVED:

A. That Cabinet awarded a contract for the provision of Revenues and Benefits System to Civica UK Ltd

B. That Cabinet approved a 7 year +2 contract with the existing supplier, Civica UK Ltd, to facilitate moving to a Cloud based solution.

C. That the authority to take up the optional extensions on the contract be delegated to the Chief Officer and Executive Director Finance and Digital

6 FINANCIAL APPROVALS - OCTOBER (Agenda Item 6)

The Cabinet Member for Finance and Corporate Services presented the report outlining adjustments to the capital programme for the month as set out within the table in the report.

RESOLVED:

- A. That Cabinet approved the adjustments to the Capital Programme in the 3Tables within the report (found here: [Financial approval recommendations - Oct 2023 Cabinet.pdf \(merton.gov.uk\)](#)):
- B. That Cabinet noted the adjustments to the Capital Programme in the Table within the report (found here: [Financial approval recommendations - Oct 2023 Cabinet.pdf \(merton.gov.uk\)](#)):

7 EXCLUSION OF THE PUBLIC (Agenda Item 7)

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

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Cabinet

Date: 16 November 2023

Subject: Budget 2024/25 and MTFS 2024-28

Lead officer: Asad Mushtaq, Executive Director of Finance & Digital

Lead member: Councillor Billy Christie, Cabinet Member for Finance and Corporate Services

Recommendations:

1. That Cabinet considers and agrees the new capital proposals for 2024/25 to 2027/28 and the draft Capital Programme 2024-2028 (Appendix 1) and refers them to the Overview and Scrutiny panels and Commission in November 2023 for consideration and comment.
2. That Cabinet agrees the approach to setting a balanced budget outlined in the report
3. That Cabinet agrees the financial timetable for the Budget 2024/25 and MTFS 2024-28 (Appendix 5)
4. That Cabinet considers and agrees the draft growth proposals for 2024/25 to 2027/28 (Appendix 2) put forward by officers and refers them to the Overview and Scrutiny panels and Commission in November 2023 for consideration and comment.
5. That Cabinet considers and agrees the new savings proposals for 2024/25 to 2027/28 (Appendix 3) and refers them to the Overview and Scrutiny panels and Commission in November 2023 for consideration and comment.
6. That Cabinet considers and agrees the Equalities Impact Assessments for each saving, where applicable, and refers them to the Overview and Scrutiny panels and Commission in November 2023 for consideration and comment.(Appendix 3)

1. Purpose of report and executive summary

- 1.1 This report presents an update of the Medium Term Financial Strategy (MTFS) since the initial report to Cabinet in June which rolled the MTFS forward and repriced it for the latest inflation assumptions.
- 1.2 The Capital Programme has been reviewed and the report sets out the details in the draft Capital Programme 2024-28 (Appendix 1) for approval.
- 1.3 The report sets out the approach towards setting a balanced budget for 2024-28.
- 1.4 The report sets out the draft financial timetable from September 2023 to March 2024 for setting the budget 2024/25 and council tax 2024/25.
- 1.5 The report presents initial growth proposals which are required to alleviate pressures on services which have been identified as part of ongoing budget

monitoring procedures and by officer's expectations of demographic trends and other pressures such as the cost of living.(Appendix 2)

- 1.6 Finally, the report sets out initial draft savings proposals which have been identified by officers to contribute towards meeting the Council's statutory requirement to approve a balanced budget for 2024/25. (Appendix 3)
- 1.7 Equalities impact assessments for each saving, where applicable, are included in Appendix 3.
- 1.8 The council has clear priorities for its services but Members should note that the delivery of some of those priorities has been challenging due to the one-off nature of some government funding.

2. Details

- 2.1 The initial report to Cabinet in June updated the MTFS for known changes arising from outturn 2022/23 and revised inflation assumptions for pay and prices.
- 2.2 The MTFS gap was revised as follows:-

(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
MTFS Gap 2024-28 (Cabinet June 2023)	1,560	5,801	7,341	17,039

3. Review of Assumptions

3.1 Pay

Ongoing cost of 2023/24 Pay Award

For 2023/24 the final pay award has just been agreed by the unions. Provision of 3% was included in the MTFS. An additional provision was added to the MTFS reported to Cabinet in June.

The Local Government Employers offer which has just been accepted is:-

- 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).

NB: Due to London weighting, workers in the inner London area would receive a flat rate increase of £2,352, with those in outer London receiving £2,226.

The actual cost for Merton can now be calculated. Based on the current offer it is estimated that the additional cost above the provision included in the MTFS 2023-27 agreed by Cabinet in March 2023 is c. £4.4m. This has an ongoing impact on the MTFS 2024-28 which is estimated to be as follows:-

(Cumulative)	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
MTFS (Council – March 2023 3%)	2,975	2,975	2,975	2,975
Additional 1% provided (Cabinet June '23)	992	992	992	992
MTFS (Cabinet June '23)	3,967	3,967	3,967	3,967
Latest Estimated Cost of Pay Award '23/24	7,384	7,384	7,384	7,384
Estimated additional cost to include in MTFS	3,417	3,417	3,417	3,417

Once a more accurate estimate of the cost of the pay award is calculated it will be reported in a future report. The budget for the additional cost to services will be vired from corporate budgets when calculated.

Pay 2024/25

In respect of pay inflation over the MTFS 2024-28 the latest provision is as follows:-

(Cumulative)	2024/25	2025/26	2026/27	2027/28
Pay inflation (%)	3.0%	2.0%	2.0%	2.0%
Revised Estimate (cumulative £000)	3,174	5,289	7,405	9,521

3.2 Prices

3.2.1 Current inflation

The Consumer Prices Index (CPI) rose by 6.7% in the 12 months to September 2023, unchanged from August 2023. On a monthly basis, CPI rose by 0.5% in September 2023, the same rate as in September 2022.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 6.3% in the 12 months to September 2023, the same rate as in August. On a monthly basis, CPIH rose by 0.5% in September 2023, compared with a rise of 0.4% in September 2022.

The largest downward contributions to the monthly change in both CPIH and CPI annual rates came from food and non-alcoholic beverages, where prices fell on the month for the first time since September 2021, and furniture and

household goods, where prices rose by less than a year ago. Rising prices for motor fuel made the largest upward contribution to the change in the annual rates.

Core CPI (excluding energy, food, alcohol and tobacco) rose by 6.1% in the 12 months to September 2023, down from 6.2% in August; the CPI goods annual rate fell slightly from 6.3% to 6.2%, while the CPI services annual rate rose from 6.8% to 6.9%.

Core CPIH (excluding energy, food, alcohol and tobacco) rose by 5.9% in the 12 months to September 2023, the same rate as in August; the CPIH goods annual rate fell slightly from 6.3% to 6.2%, while the CPIH services annual rate rose from 6.1% to 6.3%.

The RPI rate for September 2023 was 8.9%, which is down from 9.1% in August 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 1 November 2023, the MPC voted by a majority of 6–3 to maintain Bank Rate at 5.25%. Three members preferred to increase Bank Rate by 0.25 percentage points, to 5.5%.

The Bank of England MPC also published the November Monetary Policy report.

In the minutes to the November meeting, the MPC stated that “Twelve-month CPI inflation fell to 6.7% both in September and 2023 Q3, below expectations in the August Report. This downside news largely reflects lower-than expected core goods price inflation. At close to 7%, services inflation has been only slightly weaker than expected in August. CPI inflation remains well above the 2% target, but is expected to continue to fall sharply, to 4¾% in 2023 Q4, 4½% in 2024 Q1 and 3¾% in 2024 Q2. This decline is expected to be accounted for by lower energy, core goods and food price inflation and, beyond January, by some fall in services inflation. In the MPC's latest most likely, or modal, projection conditioned on the market-implied path for Bank Rate, CPI inflation returns to the 2% target by the end of 2025. It then falls below the target thereafter, as an increasing degree of economic slack reduces domestic inflationary pressures. The Committee continues to judge that the risks to its modal inflation projection are skewed to the upside. Second-round effects in domestic prices and wages are expected to take longer to unwind than they did to emerge. There are also upside risks to inflation from energy prices given events in the Middle East. ”

Although the labour market remains tight by historical standards, the MPC say that “against a backdrop of subdued economic activity, employment growth is likely to have softened over the second half of 2023, and to a greater extent

than projected in the August Report. Falling vacancies and surveys indicating an easing of recruitment difficulties also point to a loosening in the labour market. Contacts of the Bank’s Agents have similarly reported an easing in hiring constraints, although persistent skills shortages remain in some sectors. Pay growth has remained high across a range of indicators, although the recent rise in the annual rate of growth of private sector regular average weekly earnings has not been apparent in other series. There remains uncertainty about the near-term path of pay, but wage growth is nonetheless projected to decline in coming quarters from these elevated levels.”

In conclusion the MPC indicate that it is likely that monetary policy is likely to remain restrictive for an extended period of time It reported that it “will continue to monitor closely indications of persistent inflationary pressures and resilience in the economy as a whole, including a range of measures of the underlying tightness of labour market conditions, wage growth and services price inflation. Monetary policy will need to be sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term, in line with the Committee’s remit. Further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures.”

In this report the MPC include forecast quarterly CPI inflation rates over the next three years as follows:-

2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	2026	2026
Qtr.4	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr. 1	Qtr.2	Qtr.3	Qtr.4
CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %	CPI %
4.6	4.4	3.6	3.3	3.1	2.5	2.1	2.1	1.9	1.9	1.7	1.6	1.5

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 (October 2023)

	Lowest %	Highest %	Average %
2023 (Quarter 4)			
CPI	2.5	5.2	4.5
RPI	5.5	9.9	6.4
LFS Unemployment Rate	3.5	4.8	4.4
2024 (Quarter 4)			
CPI	0.7	4.0	2.5
RPI	0.9	5.9	3.6
LFS Unemployment Rate	2.8	5.2	4.6

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 (August 2023)					
	2023	2024	2025	2026	2027
	%	%	%	%	%
CPI	7.4	3.2	2.1	2.0	2.1
RPI	9.0	4.5	2.9	2.7	3.4
LFS Unemployment Rate	4.0	4.2	4.3	4.5	4.8

The MTFS currently includes the following provision for price inflation:-

(Cumulative)	2024/25	2025/26	2026/27	2027/28
Price inflation (%)	3.0%	1.5%	1.5%	1.5%
Revised Estimate (cumulative £000)	4,443	6,665	8,886	11,108

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
Allocated to services in 2023/24	(3,660)	(3,660)	(3,660)	(3,660)
Balance	148	148	148	148

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.

Inflation is still a major risk and it is likely that further pressures will emerge during the year for both pay and general price inflation.

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
Less:					
Allocated to Security & Services Contract	(68)	(68)	(68)	(68)	(68)
Balance	643	2,314	2,362	2,410	2,410

The provision needs to be reviewed and regularly updated to ensure that the MTFS reflects the latest forecast cost of renewing council contracts.

3.3.5 DSG Deficit

The council and the Department for Education signed a DSG Safety Valve Agreement under which the council undertook to reach a positive in-year balance on its Dedicated Schools Grant (DSG) account by the end of 2026-27.

It is important that progress towards meeting the terms of the Agreement is closely monitored. As with most council services, the impact of stubbornly high inflation is continuing to increase costs as well as anticipated growth in EHCP numbers. The Council is required to submit quarterly returns to the DfE on progress and for the purposes of the latest MTFS update, those figures submitted on the September Return are used. Based on those figures the following is forecast:-

Forecast DSG impact on MTFS	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total Change £m
Change	0.764	1.527	(0.870)	0.475	1.896

Given that under the DSG Safety Valve Agreement the DSG is expected to balance by 2026/27, any short-term adverse variance could be treated as a one-off short term issue and funded from revenue reserves.

3.3.6 Freedom Passes

Freedom Passes are administered by London Councils on behalf of London boroughs. The costs of Freedom Passes are driven by two key factors:-

- The estimated average number of journeys made by Freedom Pass holders over the past two years

- Previous work to calculate expected average fares per trip taking into account fare increases and decreases within a “basket of fares”

When forecasting demand, London Councils officers have attempted to establish a baseline, as well as lower range higher range scenarios. The latest estimates from London Councils are:-

	2024/25 £m	2025/26 £m	2026/27 £m
Baseline	8.223	9.857	11.104
Lower range	7.973	9.366	10.550
Higher range	8.472	10.347	11.656

The table below compares the current provision in the budget and MTFS for Freedom Passes with the latest worst case estimate:-

	MTFS 2024/25 £m	MTFS 2025/26 £m	MTFS 2026/27 £m	MTFS 2027/28 £m
Merton MTFS Current Provision	8.669	10.843	13.017	15.191
Latest forecast (Higher range for 2024-27)	8.472	10.347	11.656	12.822
Change	(0.197)	(0.496)	(1.361)	(2.369)

London Councils expect to be able provide final estimates for the year at the end of November 2023.

3.7 Council Tax Base

The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent).

All authorities notify the DLUHC of their unadjusted Council Tax Base using a CTB Form using valuation list information as at 11 September .

The CTB form for 2023 includes the latest details about the Council Tax Support Scheme and the technical reforms which impacted on discounts and exemptions. The Council has submitted its CTB form and based on this it is forecast that based on a standstill council tax there will be an additional council tax yield of c.£0.5m in 2024/25

A full analysis will be included in the report to Cabinet in December and Members will be asked to agree the Council Tax Base for Merton and Wimbledon and Putney Commons conservators.

4. Capital Programme and Investment Income Review

4.1 Capital Programme Review

During July, August and September a major review of all capital schemes has been undertaken and the outcome of this review is summarised in the table below, additional details are provided in appendices 1a, b and c of this report.

Department	Revised Budget 2023-24 £000's	Revised Budget 2024-25 £000's	Revised Budget 2025-26 £000's	Revised Budget 2026-27 £000's	Revised Budget 2027-28 £000's
Finance & Digital	8,168	6,329	1,280	7,536	7,331
ASC, Integrated Care & Public Health	0	0	0	0	0
Children, Lifelong Learning & Families	6,326	16,114	3,479	3,400	2,500
Environment, Civic Pride & Climate	14,274	11,469	15,655	12,970	11,320
Innovation & Change	45	0	0	0	0
Housing & Sustainable Development	12,228	18,086	20,682	17,962	2,152
Total	41,042	51,998	41,096	41,868	23,303

4.2 Cabinet are requested to refer the details of the Draft Capital Programme to Overview and Scrutiny Panels and Commission during the November cycle of scrutiny meetings.

4.3 The estimated capital financing costs of the capital programme included in the MTFS approved by Cabinet in March 2023 are as follows:-

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Minimum Revenue Provision	4,841	5,197	6,129	7,861	11,499
External Borrowing Costs	6,041	6,020	4,949	5,097	6,528
Total Capital Financing Costs	10,882	11,217	11,078	12,958	18,027

4.4 Following the Capital Programme review and some debt restructuring including redemptions, the estimated capital financing costs are as follows:-

Proposed Programme Business Plan 2024-28	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s
MRP	4,965	4,567	5,429	6,210	7,545
Interest on Borrowing	4,272	3,377	3,377	3,377	3,189
Total Borrowing Costs	9,237	7,944	8,806	9,587	10,733

4.5 The net change in capital financing costs is:-

Movement in Projected Costs	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s
MRP	124	(631)	(699)	(1,651)	(3,955)
Interest on Borrowing	(1,769)	(2,643)	(1,572)	(1,720)	(3,340)
Total Borrowing Costs	(1,646)	(3,274)	(2,272)	(3,371)	(7,295)

- 4.6 There are two main reasons for the change in capital financing costs since Council in March 2023 and the financial effect of each is summarised in the following table:-

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Debt Redemption	(1,728)	(2,754)	(2,257)	(2,257)	(2,257)	(11,253)
Review of Capital Programme	82	(520)	(15)	(1,114)	(5,038)	(6,605)
Total Capital Financing Costs	(1,646)	(3,274)	(2,272)	(3,371)	(7,295)	(17,858)

- 4.7 It is intended to utilise “Flexible Use of Capital Receipts” (FUCR) to fund the creation of a team to support the priorities of creating new homes – both through a pipeline to deliver 400 genuinely affordable council homes and the regeneration of Morden Town Centre. This flexibility is currently available for qualifying receipts and expenditure for the financial years 2023-24 and 2024-25.

- 4.8 The Table below shows the proposed sums to 2027-28 (assuming the flexibility is extended over this period)

Housing Development Team	2024-25 £000s	2025-26 £000s	2026-27 £000s	2027-28 £000s
Proposed Budget	355	749	1,016	1,016
Total Flexible Use of Capital Receipts	355	1,104	2,120	3,136

- 4.9 To progress the flexible use of capital receipts the Authority will need to:

1. compile a Flexible use of Capital Receipts Strategy setting out details of projects to be funded through flexible use of capital receipts be prepared prior to the start of each financial year.
2. the Strategy should be presented to full council or the equivalent at the earliest possible opportunity. The Guidance allows local authorities to update their Strategy during the year.
3. authorities must send details setting out their planned use of the flexibility to the Secretary of State, in advance of its use for each financial year, guidance is provided on its content including the forecast ongoing savings generated by the proposals
4. Capital receipts being utilised must be from genuine disposals during the applicable period (the financial years 2023-25). Where the authority

retains some exposure to the risks and rewards of the assets following disposal they could not be used under this flexibility.

5. the amount capitalised in the financial year must not exceed the amount set out in the plan provided to the Secretary of State, however, an authority may revise its plans and send an update at any time in the financial year.

5. Budget Monitoring 2023/24 and increasing pressure on services

5.1 As reported to Cabinet in July based on expenditure for the first quarter there was a forecast net adverse variance of £8.186m. An update for the second quarter (to 30 September) is included elsewhere on the agenda for this meeting. Pressures on service budgets continue and the forecast for the second quarter is for a net adverse variance of £8.011m.

5.2 The main pressures currently are:-

- Parking Services – shortfall in income
- Regulatory Services - shortfall in income
- Building and Development Control – Shortfall in income
- Development Management – Agency staff and shortfall in income
- Facilities – energy costs and shortfall in income
- Housing – Homelessness
- Children’s Social Care
- Dedicated Schools Budget
- Adult Social Care Placements

5.3 Whilst every effort will be made to manage these services within existing budgets it is likely that growth proposals may be required to address some issues.

5.4 Merton is not alone in finding its service budgets under pressure. There is recent empirical evidence that other councils, including London boroughs are expecting overspends in their revenue budgets in 2023/24.

5.5 London Councils Survey (August 2023)

In a recent survey commissioned to understand in-year pressures affecting London boroughs based on quarter 1 forecasts (to which 24 out of 33 responded) findings included:-

- The average borough forecast overspend on the General Fund (excl. DSG) is £9.8m (4.3% overspend on budget).
- The total forecast overspend for the reporting boroughs are £220m.
- Of this, the largest overspends were in Adult Social Care (£100m), Childrens Social Care (£64m) & Housing (£51m).
- Three boroughs are forecasting overspends of over £25m.

- The forecast DSG overspend was £29m (1.2%) across 15 boroughs that responded.

6. **Autumn Statement 2023 and Local Government Finance Settlement**

The Chancellor of the Exchequer has announced that he will present the Government's Autumn Statement 2023 to Parliament on 22 November.

The Office for Budget Responsibility (OBR) have been commissioned to prepare an economic and fiscal forecast to be presented to Parliament alongside his Autumn Statement.

The Autumn Statement provides an update on the government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility (OBR). The forecasts, called the Economic and fiscal outlook (EFO) are published twice yearly, at Budget and at Autumn Statement.

Whilst Government Departmental Expenditure Limits are expected to be announced, individual local authorities allocations will not be known until the Provisional Local Government Finance Settlement 2023 is published (expected in mid-December).

Given the current national economic forecasts and the fact that local government is not a protected area in the government's funding priorities it is difficult to forward plan with certainty.

Whilst the Autumn Statement and OBR Economic and fiscal outlook will provide Government department expenditure limits, the allocations to local government and in particular individual local authorities will not be known until the provisional Local Government Finance Settlement is announced (generally mid- December).

The provisional Settlement will provide key financial information for Merton including:-

- Settlement Funding Assessment (Revenue Support Grant and Business Rates)
- Core Spending Power
- Government Grant allocations
- Council Tax Referendum Principles (expected to be 5% i.e. 3% general, 2% Adult Social Care)

7. **Approach to Setting a Balanced Budget**

- 7.1 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.

- 7.2 The key initial step in terms of budget management was to restructure the budget across the six new directorates from the four previous departments. This included amending budget structures to enable effective and efficient monitoring, management and reporting. This restructuring has now been completed. There may still need to be some adjustments made to the resource allocations between services.
- 7.3 Given this scenario, over the summer period officers have been working on the following:-
- a) Formulation of proposals to fund essential growth required to address necessary pressures
 - b) The identification of savings proposals and additional income from fees and charges which will be needed to produce a balanced budget and to contribute towards funding essential growth

8. **Growth Pressures**

- 8.1 The council has to constantly react to changing circumstances and develop effective and efficient ways of adapting to growing service demands and pressures. and The MTFS summary shown in paragraph 2.2 shows the budget gap for 2024-28 reported to Cabinet in June but it is clear as set out in paragraph 5 of this report that there will be some areas that will require additional support in order to be able to cope with pressures currently identified.
- 8.2 Service directorates have been reviewing their service projections against current budgets and have identified some growth requirements.
- 8.3 In formulating these growth proposals to address service demands in an increasingly pressurised environment, officers have recognised that not all of their requirements can be fulfilled immediately as resources are limited.
- 8.4 At the same time it is not possible at this stage in the budget cycle to be able to forecast with certainty the level of resources available. There are still a large number of variables which could have significant financial implications but which are yet to be announced.

8.5 **Growth Proposals**

- 8.5.1 Some growth proposals have been worked up to address immediate pressures and to provide support to the achievement of the Council's strategic priorities. This growth is expected to be affordable in 2024/25 within the council's current forecast

8.5.2 Initial priority growth proposals for each directorate are included in this report and summarised in the table below:-

Growth - Priority Proposals Cabinet 16 November 2023	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Innovation and Change	560	178	(320)	0	418
Finance and Digital	420	33	0	0	453
Housing and Sustainable Development	301	0	0	0	301
Environment, Civic Pride and Climate	1,193	1,940	(153)	(100)	2,880
Children, Lifelong Learning, and Families	105	(40)	(65)	0	0
Adult Social Care, Integrated Care, and Public Health	0	0	0	0	0
Organisational Pay Review	260	45	43	38	386
Total Growth 2024-28	2,839	2,156	(495)	(62)	4,438
Cumulative Total	2,839	4,995	4,500	4,438	

8.5.2 Details of the priority growth proposals are included in Appendix 2.

8.5.3 Use of Reserves to Fund Growth

As will be seen some of the growth proposals are temporary. Where this is the case it is proposed that the growth is funded from reserves. This growth would be funded from the reserve "For use in Future Year's budgets" which was created to help to balance the council's budget over the medium term. The impact of the proposed funding is manageable given the level of funding required for time limited pressures.

The amount of growth that could be funded from reserves is summarised in the following table and detailed in Appendix 2:-

Short term growth funded from reserves	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Use of Reserves to fund growth	803	638	100	0	1,541

9. Savings and Fees and Charges

9.1 Initial savings proposals for each directorate are included in this report and summarised in the following table:-

Priority Savings Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Innovation and Change	36	565	0	0	601
Finance and Digital	380	0	0	0	380
Housing and Sustainable Development	377	(40)	(60)	0	277
Environment, Civic Pride and Climate	310	30	0	0	340
Children, Lifelong Learning, and Families	60	0	0	0	60
Adult Social Care, Integrated Care, and Public Health	538	257	370	387	1,552
Total Savings 2024-28	1,701	812	310	387	3,210
Cumulative Total	1,701	2,513	2,823	3,210	

9.2 Details of the savings are included in Appendix 3.

9.3 Fees and Charges

Initial fees and charges proposals are included in this report and summarised in the following table:-

Fees and Charges Review - Additional Income	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Innovation and Change	0	0	0	0	0
Finance and Digital	0	0	0	0	0
Housing and Sustainable Development	185	0	0	0	185
Environment, Civic Pride and Climate	223	0	0	0	223
Children, Lifelong Learning, and Families	0	0	0	0	0
Adult Social Care, Integrated Care, and Public Health	50	150	0	0	200
Total Savings 2024-28	458	150	0	0	608
Cumulative Total	458	608	608	608	

Details of the fees and charges proposals are included in Appendix 3.

10. Update to MTFS 2024-28

10.1 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.

10.2 In addition, initial proposals are presented for savings and growth which are set out in the report and detailed in appendices

10.3 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
Revised MTFS Gap before savings and growth	43	4,858	4,640	9,771
Growth less funded from reserves	2,036	4,357	4,400	4,438
Revised MTFS Gap including savings/Fees and Charges	2,079	9,215	9,040	14,209
Priority Savings	(1,701)	(2,513)	(2,823)	(3,210)
Fees and Charges – Additional Income	(458)	(585)	(585)	(585)
Revised MTFS Gap including Growth and savings	(80)	6,117	5,632	10,414

A more detailed summary is included as Appendix 4.

10.4 Further work required

Whilst the MTFS is currently showing an essentially balanced budget in 2024/25 it is important to note that this is only an interim picture of the MTFS for 2024-28 as it stands at the moment. As indicated in the report, there are still a number of issues for which information is outstanding and it is therefore important to note that further growth and savings proposals may be required as the budget process goes forward to ensure that the council is able to set a balanced budget and council tax at its meeting in March 2024.

9. Alternative Options

9.1 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.

10. Consultation Undertaken or Proposed

10.1 All relevant bodies will be consulted during the budget setting process.

10.2 As indicated in the report details of savings proposals and associated equalities impact assessments, and growth proposals will be referred to the Overview and Scrutiny Panels and Commission in November as follows:-

Healthier Communities & Older People Overview & Scrutiny Panel	21 November 2023
Children and Young People Overview & Scrutiny Panel	22 November 2023
Sustainable Communities Overview & Scrutiny Panel	27 November 2023
Overview and Scrutiny Commission	29 November 2023

11. Timetable

11.1 In accordance with current financial reporting timetables.

12. Financial, resource and property implications

12.1 As contained in the body of the report.

13. Legal and statutory implications

13.1 As outlined in the report.

14. Human rights, equalities and community cohesion implications

14.1 None for the purposes of this report, these will be dealt with as the budget is developed for 2024-28

15. Crime and Disorder Implications

15.1 Not applicable.

16. Risk Management and health and safety implications

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

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

Appendix 1(a) – Summary Draft Capital Programme 2023-28

Appendix 1(b) – Detailed Draft Capital Programme 2023-28

Appendix 1(c) – Funding the Draft Capital Programme 2023-28

Appendix 2 – Growth proposals

Appendix 2(a) – Growth funded from reserves

Appendix 3 – Savings proposals and Fees and Charges proposals and associated Draft Equalities Impact Assessments

Appendix 4 – Updated Draft MTFS Gap 2024-28

Appendix 5 – Financial Planning Timetable September 2023 to March 2024

18. Background Papers

18.1 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

Capital Programme working papers

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Summary Proposed Capital Programme 2022-28

Department	Revised Budget 2023-24 £000's	Revised Budget 2024-25 £000's	Revised Budget 2025-26 £000's	Revised Budget 2026-27 £000's	Revised Budget 2027-28 £000's
Finance & Digital					
Business Improvement	4,647	3,111	220	580	525
Information Technology	1,063	1,405	1,060	970	1,005
Resources	125	0	0	75	0
Corporate Budgets	2,334	1,813	0	5,911	5,801
Total Finance & Digital	8,168	6,329	1,280	7,536	7,331
ASC, Integrated Care & Public Health					
Adult Social Care	0	0	0	0	0
Total ASC, Integrated Care & Public Health	0	0	0	0	0
Children, Lifelong Learning & Families					
Primary School	2,475	2,762	2,500	2,500	2,500
Secondary Schools	434	3,550	0	0	0
SEN Schools and ARPs	2,764	9,802	979	900	0
Other	654	0	0	0	0
Total Children, Lifelong Learning & Families	6,326	16,114	3,479	3,400	2,500
Environmental, Civic Pride & Climate					
Public Protection and Development	1,873	790	45	45	0
Street Scene and Waste	336	1,000	7,500	6,500	6,000
Sustainable Communities	8,003	6,110	5,580	3,390	3,940
Borough of Sport	3,874	2,929	2,190	2,960	1,380
Libraries	97	350	140	0	0
Climate Change	90	291	200	75	0
Total Environmental, Civic Pride & Climate	14,274	11,469	15,655	12,970	11,320
Innovation and Change					
Governance	45	0	0	0	0
Total ASC, Integrated Care & Public Health	45	0	0	0	0
Housing & Sustainable Development					
Housing	4,181	10,698	16,102	14,952	1,202
Regeneration	2,503	3,855	3,630	2,000	0
Property Management	451	134	0	0	0
Facilities Management	5,093	3,399	950	1,010	950
Total Housing & Sustainable Development	12,228	18,086	20,682	17,962	2,152
Total Capital	41,042	51,998	41,096	41,868	23,303

Appendix 1b

Detailed Proposed Capital Programme 2022-28

Cost Centre Narrative	Project Narrative	Priority	Scrutiny	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Revised Budget 2025-26 £000s	Revised Budget 2026-27 £000s	Indicative Budget 2027-28 £000s
Business Improvement	Business Improvement							
Customer Contact Programme	Dapian DPIA/IAR Implementation	4	OSC	6	0	0	0	0
Customer Contact Programme	Customer Portal Account	4	OSC	7	0	0	0	0
Customer Contact Programme	Complaints System	4	OSC	388	0	0	0	0
Customer Contact Programme	Digital Strategy	4	OSC	30	579	0	0	0
Customer Contact Programme	CRM&TK Amendments	4	OSC	275	174	0	0	0
Customer Contact Programme	United data Model	4	OSC	452	0	0	0	0
Customer Contact Programme	Members Enquiries Solution	4	OSC	86	0	0	0	0
Customer Contact Programme	Office 365 Tools incl Power BI	4	OSC	38	0	0	0	0
Customer Contact Programme	M365 Tools - Power Automate	4	OSC	56	0	0	0	0
Customer Contact Programme	M365 Tools - Forms	4	OSC	113	0	0	0	0
Customer Contact Programme	Dynamics 365 CRM	4	OSC	107	85	0	0	0
Customer Contact Programme	Biztalk Replacement	4	OSC	110	0	0	0	0
Customer Contact Programme	Transport Management System	4	OSC	65	46	0	0	0
Customer Contact Programme	CRM Healthcheck - Database....	4	OSC	60	0	0	0	0
Customer Contact Programme	Virtual Desktop	4	OSC	238	0	0	0	0
Customer Contact Programme	Data Security and Control	4	OSC	143	0	0	0	0
Customer Contact Programme	Improved End Use Device	4	OSC	169	0	0	0	0
Customer Contact Programme	Active Directory	4	OSC	78	0	0	0	0
Customer Contact Programme	Self Service	4	OSC	36	0	0	0	0
Customer Contact Programme	Network Reconfiguration	4	OSC	275	0	0	0	0
Customer Contact Programme	Wireless Microphones & Hybrid	4	OSC	70	0	0	0	0
Business Systems	Ancillary System	4	OSC	7	29	0	50	0
Business Systems	Youth Justice	4	OSC	0	0	100	0	0
Business Systems	Children's Safeguarding	4	OSC	0	125	0	0	125
Business Systems	Parking System	4	OSC	52	572	0	0	0
Business Systems	Payroll System	4	OSC	0	0	0	160	0
Business Systems	Invoice Scanning SCIS/FIS	4	OSC	100	50	0	0	0
Business Systems	Environmental Asset Management	4	OSC	124	327	0	0	0
Business Systems	Housing System (Capita Housing)	4	OSC	6	0	120	0	0
Business Systems	Revenue & Benefits	4	OSC	90	75	0	0	0
Business Systems	Payments project	4	OSC	0	150	0	0	0
Business Systems	GIS Mapping (Spectrum Spatial Ana	4	OSC	353	0	0	200	300
Business Systems	LLPG&LSG System ((Gazetteer Mar	4	OSC	0	0	0	0	100
Business Systems	Planning&Public Protection Sys	4	OSC	190	666	0	0	0
Business Systems	E Form Replacement	4	OSC	38	98	0	0	0
Business Systems	Exacom	4	OSC	0	40	0	0	0
Business Systems	Safer Merton Case Management	4	OSC	0	60	0	0	0
Replacement SC System	Replacement SC System	4	OSC	637	0	0	0	0
Replacement SC System	EHCP Hub	4	OSC	12	34	0	0	0
Replacement SC System	SEN Case Management	4	OSC	0	0	0	170	0
Replacement SC System	ASC Mosiac System Updates	4	OSC	82	0	0	0	0
Replacement SC System	Mosiac Workflow & System Imps	4	OSC	69	0	0	0	0
Replacement SC System	Transitions Tracker	4	OSC	10	0	0	0	0
Replacement SC System	Insights to Intervention	4	OSC	76	0	0	0	0
Information Technology	Information Technology							
Planned Replacement Program	Project General	4	OSC	863	1,405	1,060	970	1,005
Planned Replacement Program	Citrix Upgrade	4	OSC	200	0	0	0	0
Resources	Resources							
Financial Systems	Implementing New Financial System	4	OSC	125	0	0	75	0
Corporate Budgets	Corporate Budgets							
Multi-Functioning Device (ME	Multi-Functioning Device (MFD) - F	5	OSC	0	600	0	0	0
Acquisitions Budget	Project General	5	OSC	0	0	0	2,000	0
Capital Bidding Fund	Project General	5	OSC	0	0	0	1,000	0
Corporate Capital Contingency	Project General	5	OSC	0	0	0	1,681	0
Westminster Coroners Court	Westminster Coroners Court	5	OSC	489	0	0	0	0
Compulsory Purchase Order	Clarion - CPO	2	OSC	1,845	1,213	0	1,230	5,801
Total Finance & Digital	Total Finance & Digital			8,168	6,329	1,280	7,536	7,331

Appendix 1b

Detailed Proposed Capital Programme 2022-28 continued.....

Cost Centre Narrative	Project Narrative	Priority	Scrutiny	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Revised Budget 2026-27	Indicative Budget 2027-28
Primary Schools	Primary Schools							
Hollymount	School Capital Maintenance	1	CYP	201	0	0	0	0
West Wimbledon	School Capital Maintenance	1	CYP	162	0	0	0	0
Hatfeild School	School Capital Maintenance	1	CYP	71	0	0	0	0
Hillcross School	School Capital Maintenance	1	CYP	6	0	0	0	0
Joseph Hood School	School Capital Maintenance	1	CYP	480	0	0	0	0
Dundonald School	School Capital Maintenance	1	CYP	65	0	0	0	0
Merton Park	School Capital Maintenance	1	CYP	21	0	0	0	0
Pelham School	School Capital Maintenance	1	CYP	3	0	0	0	0
Poplar School	School Capital Maintenance	1	CYP	132	0	0	0	0
Wimbledon Chase	School Capital Maintenance	1	CYP	277	0	0	0	0
Wimbleton Park	School Capital Maintenance	1	CYP	21	0	0	0	0
Abbotsbury	School Capital Maintenance	1	CYP	20	0	0	0	0
Malmesbury	School Capital Maintenance	1	CYP	1	156	0	0	0
Morden	School Capital Maintenance	1	CYP	80	0	0	0	0
Bond	School Capital Maintenance	1	CYP	38	106	0	0	0
Cranmer	School Capital Maintenance	1	CYP	100	0	0	0	0
Gorringe Park	School Capital Maintenance	1	CYP	26	0	0	0	0
Haslemere	School Capital Maintenance	1	CYP	280	0	0	0	0
Links	School Capital Maintenance	1	CYP	54	0	0	0	0
Singlegate School	School Capital Maintenance	1	CYP	50	0	0	0	0
Lonesome School	School Capital Maintenance	1	CYP	3	0	0	0	0
Sherwood	School Capital Maintenance	1	CYP	75	0	0	0	0
William Morris School	School Capital Maintenance	1	CYP	260	0	0	0	0
Unlocated Primary School Pro	School Capital Maintenance	1	CYP	50	2,500	2,500	2,500	2,500
Secondary Schools	Secondary Schools							
Harris Wimbledon School	6th Form Expansion	1	CYP	50	3,550	0	0	0
Rutlish	School Capital Maintenance	1	CYP	261	0	0	0	0
Harris Wimbledon School	Scheme 4 New School Extra 6fe	1	CYP	123	0	0	0	0
Special Schools	Special Schools							
Perseid School	Perseid School Expansion	1	CYP	9	0	0	0	0
Perseid School	School Capital Maintenance	1	CYP	80	0	0	0	0
Cricket Green	School Capital Maintenance	1	CYP	43	0	0	0	0
Cricket Green	Cricket Green School Expansion	1	CYP	39	0	0	0	0
Whatley Avenue	School Capital Maintenance	1	CYP	10	0	0	0	0
Melrose	Melrose School Expansion	1	CYP	107	0	0	0	0
Melrose	School Capital Maintenance	1	CYP	148	0	0	0	0
Medical PRU	School Capital Maintenance	1	CYP	27	0	0	0	0
Unlocated SEN	Medical PRU	1	CYP	90	0	0	0	0
Unlocated SEN	Whatley Avenue	1	CYP	119	0	0	0	0
Melbury College – Smart Cent	School Capital Maintenance	1	CYP	31	125	0	0	0
Mainstream SEN (ARP)	West Wimbledon Primary ARP expa	1	CYP	354	0	0	0	0
Mainstream SEN (ARP)	Hatfeild Primary School ARP expans	1	CYP	20	0	0	0	0
Mainstream SEN (ARP)	Cranmer Primary School New ARP	1	CYP	813	0	0	0	0
Mainstream SEN (ARP)	Further Primary School ARP expans	1	CYP	0	416	0	0	0
Mainstream SEN (ARP)	Raynes Park school ARP expansion	1	CYP	10	2,029	0	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 2	1	CYP	0	876	0	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 3	1	CYP	0	1,709	0	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 4	1	CYP	0	730	979	0	0
Mainstream SEN (ARP)	Safety Valve - New ARP	1	CYP	0	0	0	900	0
Perseid Lower School	School Capital Maintenance	1	CYP	310	0	0	0	0
Perseid Lower School	Perseid School Expansion	1	CYP	200	3,917	0	0	0
Devolved Formula Capital	Devolved Formula Capital	1	CYP	353	0	0	0	0
Other	Other							
Children's Centres	Bond Road Family Centre	1	CYP	34	0	0	0	0
Children's Centres	Family Hubs	1	CYP	30	0	0	0	0
Youth Provision	Pollards Hill Digital Divide	1	CYP	296	0	0	0	0
Other	Children's Safeguarding	1	CYP	165	0	0	0	0
Other	Care Leaving Accommodation	1	CYP	129	0	0	0	0
Total Children, Lifelong Lea	Total Children, Lifelong Learning & Families			6,326	16,114	3,479	3,400	2,500

Detailed Proposed Capital Programme 2022-28 continued.....

Cost Centre Narrative	Project Narrative	Priority	Scrutiny	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Revised Budget 2026-27	Indicative Budget 2027-28
Public Protection and Development	Public Protection and Development							
On Street Parking - P&D	Pay and Display Machines/emissions	4	SC	106	0	0	0	0
On Street Parking - P&D	Replacement ANPR cameras with ai	1	SC	150	0	0	0	0
Off Street Parking - P&D	Car Park Upgrades	4	SC	336	0	0	0	0
Off Street Parking - P&D	Peel House Car Park	4	SC	400	0	0	0	0
CCTV Investment	CCTV cameras and infrastructure up	1	SC	350	790	0	0	0
CCTV Investment	Dark Fibre	1	SC	40	0	0	0	0
CCTV Investment	Rapid deployment cameras	1	SC	43	0	45	45	0
CCTV Investment	Designing out crime for ASB, violen	1	SC	50	0	0	0	0
CCTV Investment	Brangwyn Crescent / Commonsides Ea	1	SC	52	0	0	0	0
CCTV Investment	Willow Lane Bridge BID - Improveme	1	SC	27	0	0	0	0
Public Protection and Development	Upgrade and Replace the Boroughs A	2	SC	250	0	0	0	0
Public Protection and Development	Noise Monitoring Equipment	2	SC	70	0	0	0	0
Street Scene and Waste	Street Scene and Waste							
Fleet Vehicles	Replacement of Fleet Vehicles	2	SC	300	0	0	0	0
Alley Gating Scheme	Project General	1	SC	36	0	0	0	0
Waste SLWP	Replacement of Fleet Vehicles	2	SC	0	0	3,000	6,000	6,000
Waste SLWP	Waste Transfer Station	1	SC	0	1,000	4,500	500	0
Sustainable Communities	Sustainable Communities							
Street Trees	Street Tree Programme	2	SC	60	60	60	60	60
Street Trees	New street tree planting programme	2	SC	12	0	0	0	0
Street Trees	Harris Academy and High Path Stree	2	SC	50	0	0	0	0
Raynes Park Area Roads	Raynes Park Stn Public Realm Imp	1	SC	39	0	0	0	0
Highways & Footways	Street Lighting Replacement Pr	1	SC	290	290	0	0	0
Highways & Footways	Accessibility Program TfL	1	SC	361	0	0	0	0
Highways & Footways	Casualty Reduction & Schools	1	SC	446	0	0	0	0
Highways & Footways	Traffic Schemes	1	SC	100	150	150	150	150
Highways & Footways	Lamp Column Chargers	1	SC	427	0	0	0	0
Highways & Footways	Surface Water Drainage	1	SC	100	100	100	60	60
Highways & Footways	Repairs to Footways	1	SC	1,241	1,300	1,600	1,000	1,300
Highways & Footways	Maintain Anti Skid and Coloured	1	SC	60	60	60	60	60
Highways & Footways	Borough Roads Maintenance	1	SC	2,172	2,000	2,000	1,800	1,800
Highways & Footways	Highways bridges & structures	1	SC	476	597	560	260	260
Highways & Footways	Motspur Park Station Access for All	2	SC	690	0	0	0	0
Highways & Footways	Haydons Road Access for All	2	SC	0	100	0	0	0
Highways & Footways	TfL Principal Road Maint	1	SC	200	0	0	0	0
Highways & Footways	Various Culverts Strengthening & Up	2	SC	203	303	0	0	0
Highways & Footways	ANPR Cameras Supporting Enforcem	1	SC	40	200	200	0	0
Highways & Footways	Residential Secure Cycle Storage	2	SC	26	0	0	0	0
Highways & Footways	S Wimb Bus Area Wayfinding	1	SC	128	0	0	0	0
Highways & Footways	Raynes Park Station Step Free Acces	2	SC	0	0	0	0	250
Highways & Footways	Milner Rd Improvements	1	SC	170	0	0	0	0
Highways & Footways	Walking & Cycling Strategy Deliv	2	SC	0	950	850	0	0
Cycle Route Improvements	Cycle Access/Parking TfL	2	SC	265	0	0	0	0
Cycle Route Improvements	Active Travel Road Safety	2	SC	428	0	0	0	0
Cycle Route Improvements	Haydons Rd Bridge cycle lane	2	SC	20	0	0	0	0
Borough of Sport	Borough of Sport							
Sports Facilities	Borough of Sport Infrastructure Fund	3	SC	50	1,500	500	0	0
Wimbledon Park	Wimbledon Pk Lake Safety	3	SC	64	0	0	0	0
Wimbledon Park	New Wimbledon Park lakeview buil	3	SC	0	0	500	2,000	500
Sports Facilities	Leisure Centre Plant & Machine	3	SC	500	250	250	280	280
Sports Facilities	Sporting Big Screens	3	SC	0	60	0	0	0
Parks Investment	Parks Investment	3	SC	271	300	300	300	300
Parks Investment	Sports Drainage	3	SC	89	200	0	0	0
Parks Investment	Refurbishment of Mertons Multi Use	3	SC	141	0	0	0	0
Parks Investment	Tennis Court Refurbishments	3	SC	884	0	0	0	0
Parks Investment	Morely Park Enhancements	3	SC	19	0	0	0	0

Detailed Proposed Capital Programme 2022-28 continued.....

Cost Centre Narrative	Project Narrative	Priority	Scrutiny	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Revised Budget 2026-27	Indicative Budget 2027-28
Parks Investment	Martin Way - Greener, Brighter & R	3	SC	94	0	0	0	0
Parks Investment	Resurface Tennis Courts	3	SC	350	0	0	0	0
Parks Investment	Myrna Close Public Realm	3	SC	49	0	0	0	0
Parks Investment	New interactive water play feature a	3	SC	87	0	0	0	0
Parks Investment	Bridges and Structures	1	SC	92	24	80	80	0
Parks Investment	Existing Green Flag Improvement Pr	3	SC	50	75	50	0	0
Parks Investment	New Green Flag Improvement Progr	3	SC	70	130	100	0	0
Parks Investment	Parks Security Measures & Travelle	1	SC	95	30	50	0	0
Parks Investment	Playground Priority Upgrades Progra	3	SC	350	300	300	300	300
Parks Investment	Wandle Tree Trail Safety & Manage	2	SC	60	60	60	0	0
Parks Investment	Paddling Pools (borough wide) OPT	3	SC	33	0	0	0	0
Parks Investment	Morden Park Playground	3	SC	76	0	0	0	0
Parks Investment	Merton Saints BMX Club	3	SC	167	0	0	0	0
Parks Investment	Durnsford Road Recreation Ground	3	SC	45	0	0	0	0
Parks Investment	Garfield Recreation Ground MUGA	3	SC	120	0	0	0	0
Parks Investment	Green Gym for Moreton Green	3	SC	35	0	0	0	0
Libraries	Libraries							
Libraries IT	Library Management System	2	SC	24	0	140	0	0
Library Major Projects	Digital Maker Space	2	SC	73	0	0	0	0
Library Major Projects	Library Self Service	2	SC	0	350	0	0	0
Climate Change	Climate Change							
Climate Change	Carbon Offset Funding	2	SC	50	76	0	0	0
Climate Change	Community Retrofit Loan	2	SC	40	140	100	0	0
Climate Change	Business Retrofit Support Scheme	2	SC	0	75	100	75	0
Total Environment, Civic Pri	Total Environment, Civic Pride & Climate			14,274	11,469	15,655	12,970	11,320
Cost Centre Narrative	Project Narrative	Priority	Scrutiny	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Revised Budget 2026-27	Indicative Budget 2027-28
Governance	Governance							
Electoral Services	New Election Booths	5	OSC	45	0	0	0	0
Total Innovation & Change	Total Innovation & Change			45	0	0	0	0

Detailed Proposed Capital Programme 2022-28 continued... Appendix 1b

Cost Centre Narrative	Project Narrative	Priority	Scrutiny	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Revised Budget 2026-27	Indicative Budget 2027-28
Housing	Housing							
Disabled Facilities Grant	Project General	2	SC/HCOP	880	827	827	827	827
Major Projects Affordable Ho	Affordable Housing Fund	2	SC/HCOP	784	9,346	10,000	9,000	0
Works to Other Buildings	Afgan Resettlement	2	SC/HCOP	2,480	0	0	0	0
Major Projects Affordable Ho	Empty Homes Strategy	2	SC/HCOP	38	375	375	375	375
Major Projects Social Care H	LD Supported Living	2	SC/HCOP	0	150	4,900	4,750	0
Regeneration	Regeneration							
Mitcham Area Regeneration	New Horion Centre	1	SC	27	0	0	0	0
Mitcham Area Regeneration	Rowan Park Community Facility Ma	1	SC	0	150	0	0	0
Mitcham Area Regeneration	Pollards Hill Bus Shelter/Toilets Re	1	SC	0	400	50	0	0
Mitcham Area Regeneration	Knowledge Exchange Mitcham	1	SC	267	0	0	0	0
Mitcham Area Regeneration	SMCA Springboard	1	SC	86	0	0	0	0
Mitcham Area Regeneration	Mitcham Cricket Green	1	SC	54	0	0	0	0
Mitcham Area Regeneration	The Small Quarter Phase 2	1	SC	22	0	0	0	0
Mitcham Area Regeneration	Chapter House	1	SC	33	0	0	0	0
Wimbledon Area Regeneration	Haydons Road Public Realm Improv	1	SC	677	0	0	0	0
Wimbledon Area Regeneration	Crowded Places/Hostile Vehicle Mi	1	SC	0	100	0	0	0
Wimbledon Area Regeneration	Wimbledon Public Realm Implement	1	SC	58	305	0	0	0
Wimbledon Area Regeneration	Wimblton Hill Rd	1	SC	92	0	0	0	0
Wimbledon Area Regeneration	Wimbledon Village - Heritage Led P	1	SC	100	600	0	0	0
Wimbledon Area Regeneration	Kenilworth Green Pocket Park	2	SC	65	0	0	0	0
Wimbledon Area Regeneration	Cannizaro Park Valley Path	2	SC	0	0	0	0	0
Wimbledon Area Regeneration	Survive to Thrive	1	SC	116	0	0	0	0
Morden Area Regeneration	Crown Creative Knowledge Exchang	1	SC	417	0	0	0	0
Morden Area Regeneration	Morden Town Centre Improvements	1	SC	100	100	0	0	0
Morden Area Regeneration	Morden TC Regen Match Funding	2	SC	0	0	2,000	2,000	0
Borough Regeneration	Wandle Project (Colliers Wood Cha	1	SC	69	0	0	0	0
Borough Regeneration	Lost Rivers Repairs	2	SC	300	0	0	0	0
Borough Regeneration	Civic Pride Public Realm Improvem	1	SC	20	1,450	930	0	0
Borough Regeneration	Shopping Parade Improvements	1	SC	0	750	650	0	0
Property Management	Property Management							
Property Management	Community Ctre Energy Saving Ligh	2	SC	35	0	0	0	0
Property Management	Stouthall	2	SC	416	134	0	0	0
Facilities Management	Facilities Management							
Works to Other Buildings	Repair and Maintenance	4	OSC	675	650	650	650	650
Civic Centre	Civic Centre Cycle Parking	2	OSC	0	0	0	60	0
Civic Centre	Civic Centre Boilers	2	OSC	2,984	1,919	0	0	0
Civic Centre	Workplace Design	2	OSC	1,054	530	0	0	0
Invest to Save	Project General	2	OSC	330	300	300	300	300
Invest to Save	Photovoltaics	2	OSC	50	0	0	0	0
Total Housing & Sustainable	Total Housing & Sustainable Development			12,228	18,086	20,682	17,962	2,152
Total Capital	Total Capital			41,042	51,998	41,096	41,868	23,303

Key

- 1 Nurturing Civic Pride – is about the relationship that people and communities have with a place this includes their physical surroundings and feelings of identity and belonging.
- 2 Building a Sustainable Future - Working towards a greener, more sustainable, and resilient future for the borough means better housing, action on climate change and supporting the health and wellbeing of our local communities.
- 3 Creating a Borough of Sport - From internationally renowned organisations like the All-England Club to grassroots clubs and organisations like Tooting and Mitcham FC, we want to strengthen our partnerships with sports clubs, organisations and businesses across the borough and promote increased participation in sports and activity.
- 4 Modernisation - The aims of the programme are two-fold. Firstly, to plan and support recovery as the country emerges from the pandemic. Secondly, to capture and build on some of the new ways of working to develop a modern council fit for the future.
- 5 Corporate Budgets

Merton	Capital Programme £000s	Funded by Merton £000s	Funded by grant and capital contributions £000s
2023/24 Current Budget	41,042	17,136	23,906
Potential Slippage b/f	0	0	0
2023/24 Revised Budget	41,042	17,136	23,906
Potential Slippage c/f	(11,761)	(5,254)	(6,507)
Potential Underspend not slipped into next year	(3,202)	(2,855)	(348)
Total Spend 2023/24	26,078	9,027	17,051
2024/25 Current Budget	51,998	21,224	30,774
Potential Slippage b/f	11,761	5,254	6,507
2024/25 Revised Budget	63,759	26,479	37,280
Potential Slippage c/f	(24,760)	(13,142)	(11,617)
Potential Underspend not slipped into next year	(5,332)	(3,918)	(1,414)
Total Spend 2024/25	33,667	9,416	24,250
2025/26 Current Budget	41,096	22,818	18,279
Potential Slippage b/f	24,760	13,142	11,617
2025/26 Revised Budget	65,856	35,961	29,896
Potential Slippage c/f	(32,326)	(22,138)	(10,188)
Potential Underspend not slipped into next year	(6,225)	(4,279)	(1,946)
Total Spend 2025/26	27,305	9,543	17,762
2026/27 Current Budget	41,868	24,611	17,257
Potential Slippage b/f	32,326	22,138	10,188
2026/27 Revised Budget	74,194	46,750	27,445
Potential Slippage c/f	(38,315)	(27,983)	(10,332)
Potential Underspend not slipped into next year	(5,505)	(3,759)	(1,746)
Total Spend 2026/27	30,374	15,008	15,367
2027/28 Current Budget	23,303	13,375	9,928
Potential Slippage b/f	38,315	27,983	10,332
2027/28 Revised Budget	61,617	41,358	20,260
Potential Slippage c/f	(25,623)	(18,429)	(7,193)
Potential Underspend not slipped into next year	(4,714)	(3,300)	(1,414)
Total Spend 2027/28	31,280	19,627	11,653

MEDIUM TERM FINANCIAL STRATEGY 2024-28

Growth - Priority Proposals Cabinet 16 November 2023	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Innovation and Change	560	178	(320)	0	418
Finance and Digital	420	33	0	0	453
Housing and Sustainable Development	301	0	0	0	301
Environment, Civic Pride and Climate	1,193	1,940	(153)	(100)	2,880
Children, Lifelong Learning, and Families	105	(40)	(65)	0	0
Adult Social Care, Integrated Care, and Public Health	0	0	0	0	0
Organisational Pay Review	260	45	43	38	386
Total Growth 2024-28	2,839	2,156	(495)	(62)	4,438
Cumulative Total	2,839	4,995	4,500	4,438	

MEDIUM TERM FINANCIAL STRATEGY 2024-28

INNOVATION AND CHANGE: GROWTH 2024-28

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Information Governance: SLLP AD Governance	25	0	0	0
HR: Implementation of a new HR team structure	150	243	0	0
Communications: Add Communications Manager post into the permanent establishment *	65	(65)	0	0
Customer, Policy and Improvement: Creation of a transformation team *	320	0	(320)	0
Total : INNOVATION AND CHANGE Growth 2024-28	560	178	(320)	0
Cumulative Total	560	738	418	418

* DENOTES FUNDING FROM RESERVES

GROWTH PROPOSALS 2024-28
DEPARTMENT: Innovation and Change

Panel	Ref	Description of growth		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
	2024-25 ICG1	Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	Legal and Governance SLLP – Share of Monitoring Officer salary In previous years Merton has paid 12.5% of the salary of the MD SLLP in order that the post provides a Monitoring Officer function for both Merton and Richmond. Richmond has decided to employ an in-house Monitoring Officer which means Merton will pick up a greater share of the salary, which is covered by this growth. Merton will benefit from a dedicated Monitoring Officer to support all Members, lead elections, and manage all the Council’s governance and constitutional affairs. None None supports all departments None	25				GS1/GI2
Page 31	2024-25 ICG2	Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	HR and OD HR and OD growth to drive successful recruitment and organisational change The current lack of capacity in HR and OD is a major factor in the ongoing recruitment difficulties facing the organisation, which is in turn leading to the growth in agency spending, this year set to be more than £24million. This budget growth is required to create new specialist leadership in recruitment, enabling Merton to build our recruitment brand, and successfully bring new talent into the organisation, lessen our reliance of expensive external recruiters (spend in 22/23 on these was £150k), grow our OD to function so we can develop and retain our talent, lead our Apprenticeships programme, and meet our ambitions around EDI. This work is vital for the long term sustainability of the organisation; we have an aging permanent workforce and significant recruitment difficulties. This additional investment in HR and OD will allow us to begin to shape a service to meet the long term needs of the organisation, to bring new leadership into recruitment, and to better support organisational change. Full departmental restructure supports all departments in achieving change Growth in HR/OD will allow us to meet our EDI ambitions and have positive impact on equalities.	150	243			GS1

GROWTH PROPOSALS 2024-28
DEPARTMENT: Innovation and Change

Panel	Ref	Description of growth	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
Page 32	2024-25 ICG3	<p>Service/Section Description Service Implication</p> <p>Communications and Engagement Budget for a permanent AD/Head of Communications and Engagement The Council currently contracts a Head of Communications through Penna at a cost of £130,000 pa. This post has no budget attached to it and is funded from reserves. This growth bid would create a budget for a permanent post, allowing the Council to recruit permanent communications and engagement leader who will shape a new service, with a stable workforce, managing out agency spend, reviewing the Council's channels, and rationalising operational expenditure. The post would work with colleagues in Parks and Open Spaces to lead an organisation-wide review of events, sponsorship, and commercial income generation, allowing us to maximise use of our assets, support our Borough of Sport aspirations, and manage an engagement led communications strategy through high quality events. The aim is to rationalise contracts and activity to make savings to match this growth in the following year.</p> <p>Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications</p> <p>None Supports the delivery of all Supports all departments in achieving ambitions None</p>	65	(65)			GS1 - FUNDING FROM RESERVES
	2024-25 ICG4	<p>Service/Section Description Service Implication</p> <p>Policy and Strategy Creation of a new Transformation team The transformation team will support our organisation wide, 'Making Change Together' programme, leading the four workstreams that will enable transformative change and long-term savings across the Council; Customer and Digital, Financial Sustainability, People and Culture, and Telling our Story. The team will consist of 4 officers, three programme managers, and one change manager, with the aim to recruit internally on secondments to provide opportunity to existing staff. The team will also support individual services in their own transformation programme. The proposal is to recruit this team as a 2 year fixed term resource. This investment in change capacity is vital to unlock savings and ongoing financial sustainability through transformational change. The extent of this is very difficult to quantify at this stage, however one example is the review of admin and business support across the organisation. We are currently spending more than £8m per annum on administrative and business support posts across the Council, 280 of which are filled by agency temps. There is a clear case for rationalisation and consolidation of resource which could realise substantial long-term savings over the next 1-2 financial years. This work will be driven by the transformation team.</p> <p>Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications</p> <p>plus 4 FTE (2 year fixed term) Supports the delivery of all Supports all departments in achieving change None</p>	320		(320)		GS2 - FUNDING FROM RESERVES
Total			560	178	(320)	0	

MEDIUM TERM FINANCIAL STRATEGY 2024-28

FINANCE AND DIGITAL: GROWTH 2024-28

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Addition of a new Assistant Director post reporting to Executive Director of Finance & Digital	140	0	0	0
Resources - 1 fte capital accountant for housing and regeneration agenda	30	33	0	0
IT Business Systems: Key systems re-procurement	250	0	0	0
Total : FINANCE AND DIGITAL Growth 2024-28	420	33	0	0
Cumulative Total	420	453	453	453

GROWTH PROPOSALS 2024-28

DEPARTMENT: Finance and Digital

Panel	Ref	Description of growth		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
	2024-25 FDG1	Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	Finance and Digital - Senior Management Addition of a new Assistant Director post reporting to Executive Director of Finance & Digital, driving forward Council-wide efficiencies and commercial activity, as well as supporting the wider housing and regeneration programme, to promote the continued financial sustainability of the council. Drive commercial efficiencies in services across the Council 1 additional FTE New Assistant Director post to drive the commercial improvements as part of the change and transformation agenda Commercial support to service departments None	140				GS1
Page 34	2024-25 FDG2	Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	Resources 1fte capital accountant Expansion of the capital accounting team to support the housing and regeneration ambition of the Council 1 additional FTE Supporting the housing and regeneration agenda Supporting the work of the Housing and Sustainable Development department none	30	33			GS1
	2024-25 FDG3	Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	Business Systems Team Key business-critical systems re-procurement and new annual support & maintenance contracts costs. Significant market and inflationary factors in the tech sector are putting pressure on the costs of procuring and running systems and despite mitigations, growth is required to deliver new systems or maintain existing ones. Improved, modern systems for service areas N/A Prioritised projects Business engagement required for configuration, training and testing. None	250				GNS1
Total				420	33	0	0	

MEDIUM TERM FINANCIAL STRATEGY 2024-28

HOUSING AND SUSTAINABLE DEVELOPMENT: GROWTH 2024-28

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Facilities Management - Additional funding required in order to cover the cost of unachievable income targets	301	0	0	0
Total : HOUSING AND SUSTAINABLE DEVELOPMENT Growth 2024-28	301	0	0	0
Cumulative Total	301	301	301	301

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GROWTH PROPOSALS 2024-28

DEPARTMENT: Housing and Sustainable Development

Panel	Ref	Description of growth		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
CC	I&T 01	Service/Section Description	Facilities Management Additional funding required in order to cover the cost of unachievable income targets against a number of teams within the current division. FM element of this growth bid covers Chaucer Centre income and running costs £147k and the Facilities Management Trading Account £154k.	301				G11
		Strategic Priorities implications	None					
		Impact on other departments	None					
		Equalities Implications	None					
		Total Housing and Sustainable Development Growth Proposals		301	0	0	0	0

GNS1 Non - Staffing: increase in level of service

GNS2 Non - Staffing: New service

GP1 Addition to Procurement / Third Party arrangements

GPRO1 Increase in Property Related costs

CC

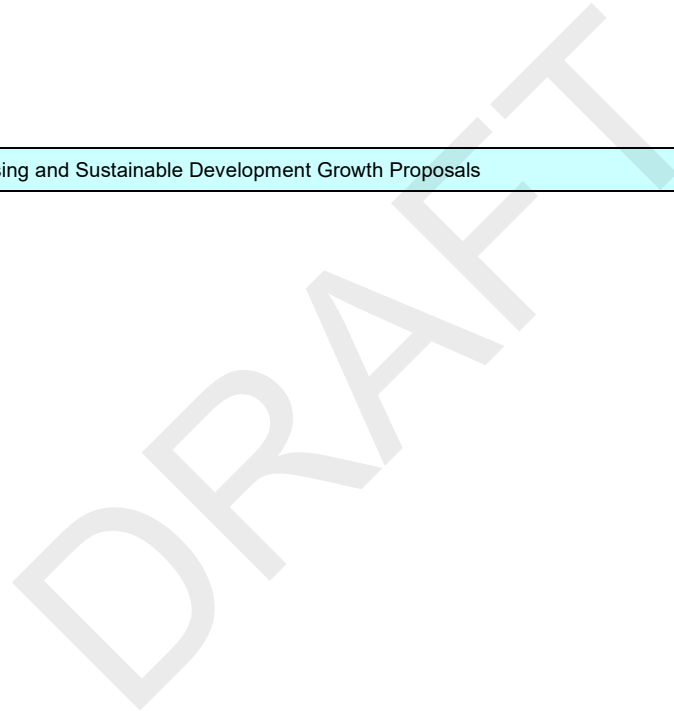
HC&OP

SC

Corporate Capacity

Healthier Communities & Older People

Sustainable Communities



MEDIUM TERM FINANCIAL STRATEGY 2024-28

ENVIRONMENT, CIVIC PRIDE AND CLIMATE: GROWTH 2024-28

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Public Protection: Emergency Planning and Business continuity	80	0	0	0
Future Merton - Traffic Management and Transport Planning *	262	(34)	(128)	(100)
Future Merton - Highways - Highways Development/Licensing Officer *	51	(26)	(25)	0
Parking Income - to right size budget following sustained fall in parking income	800	0	0	0
Public Space, Contracts & Commissioning: Retendering an Enhanced Refuse Collection Contract	0	575	0	0
Public Space, Contracts & Commissioning: Enhanced In-House Street Cleansing Service	0	1,425	0	0
Total : ENVIRONMENT, CIVIC PRIDE AND CLIMATE Growth 2024-28	1,193	1,940	(153)	(100)
Cumulative Total	1,193	3,133	2,980	2,880

* DENOTES FUNDING FROM RESERVES

Panel	Ref	Description of growth	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)	
Page 38		<p>Service/Section Description Emergency Planning and Business continuity There is the need to grow the current emergency planning service to meet the business-as-usual demands as well as the need to increase resourcing to implement and meet the recommendations set out in the agreed action plan following the Galpin's Road incident.</p> <p>Service Implication The service is seriously under resourced. Due to this, there is no resilience within the team in the event of any major incidents or absence of the officer. Part of the lessons learned from the tragedy at Galpin's Road is the need for an adequately resourced Emergency Planning and Civil Contingencies team to ensure the Council is well equipped to respond to any future incidents both in the short-term and the longer-term recovery phase.</p> <p>Staffing Implications To change the assistant civil contingencies officer to a civil contingencies officer</p> <p>Strategic Priorities implications Nurturing civic pride and through growth, will ensure Merton has Emergency Plans that are current, staff who are trained and clearly understand their roles and responsibilities and in the event of any major incident, business continuity plans that are co-ordinated and cohesive and meet the needs of businesses and voluntary organisations ensuring resilience is everybody's business.</p> <p>Impact on other departments Without an adequately resourced team, the wider council is at risk of not being fully trained in Emergency planning and there is no dedicated function to business continuity which poses risk to how prepared the teams and council is in the event of emergencies and issues.</p> <p>Equalities Implications none.</p>	80	0	0	0	GS1	
	Total			80	0	0	0	
	Cumulative Total			80	80	80	80	

GROWTH PROPOSALS 2024-28

DIRECTORATE: Environment, Civic Pride & Climate

Panel	Ref	Description of growth		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
		Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	Traffic Management and Transport Planning To deliver increasing workloads across TFL LIP, LBM Capital/CIL and Cabinet priorities for transport. (EV Charging, E-bike, E-Scooter Trials, Walking+Cycling Plan, EV Strategy, Staff Travel Plans, CPZs and CIL Public Realm Improvements) There will be a need to recruit additional temporary resources to deliver the increased workload over the 3 year period (2024/25 - 2027/28) This growth will enable the delivery of the priorities in the Cabinet Transport portfolio. Improved service to Development Control for supporting planning applications. Cross departmental working with the Public Health and Air Quality teams. None	262	(34)	(128)	(100)	GS1 + GS2 FUNDING FROM RESERVES
Page 39		Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	Highways Highways Development/Licensing Officer To deliver increasing workloads across the borough regarding small/residential development sites, securing Section 171 license deposits to maintain the highway network. This would be a self funding role as deposits secured will include staff fees to undertaken the necessary inspections/quality control. Fund for 18 months to allow for income to self-fund post. 1 x FTE Highway Development/Licensing Office Civic Pride and Sustainable Futures - ensuring the upkeep of Merton's highway network and receiving best value (not undertaking repairs at public expense) Improved service with planning enforcement and supporting planning applications. None	51	(26)	(25)		GS1 FUNDING FROM RESERVES
Total				313	(60)	(153)	(100)	

GROWTH PROPOSALS 2024-28
DIRECTORATE: Environment, Civic Pride & Climate

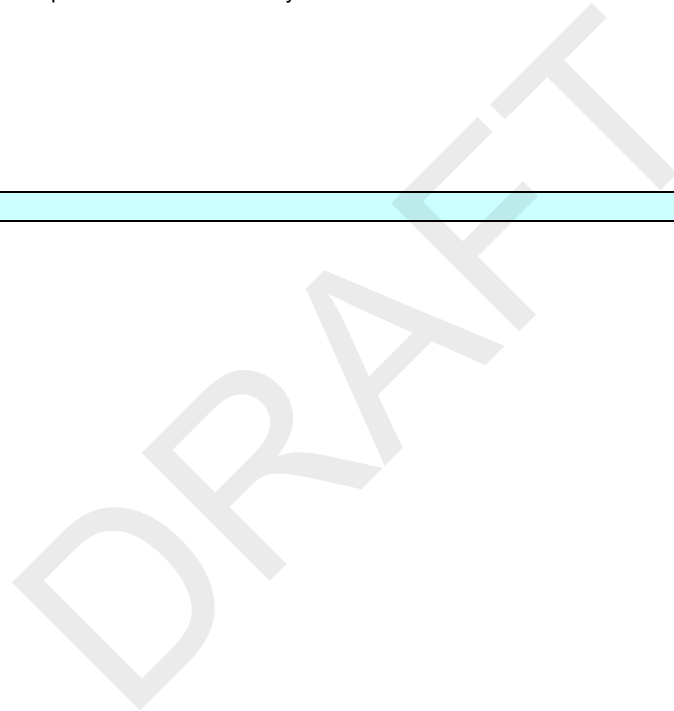
Panel	Ref		Description of growth	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
		Service/Section Description	Parking Income Whilst efforts have been made to achieve additional income it has become apparent that the budgeted parking income targets are unrealistic and unachievable, even after accounting for the previously agreed inflationary increases to parking charges due to be implemented this financial year.	800				GI1
		Service Implication	None					
		Staffing Implications	None					
		Strategic Priorities implications	None					
		Impact on other departments	None					
		Equalities Implications	None					
		Total		800	0	0	0	

Type of Growth Key

- GI1** Income: Decrease due to fall in demand for service
- GI2** Income: Decrease due to reduction/deletion of service
- GS1** Staffing: increase in level of service
- GS2** Staffing: New service
- GNS1** Non - Staffing: increase in level of service
- GNS2** Non - Staffing: New service
- GP1** Addition to Procurement / Third Party arrangements
- GPROP** Increase in Property Related costs

Panel

- C&YP** Children & Young People
- CC** Corporate Capacity
- HC&OP** Healthier Communities & Older People
- SC** Sustainable Communities



GROWTH PROPOSALS 2024-28
DEPARTMENT: Environment, Civic Pride & Climate

Panel	Ref	Description of growth		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
SC		Service/Section	Public Space, Contracts & Commissioning					
		Description	<p>Retendering an Enhanced Refuse Collection Contract - The Phase C contract will end on 31 March 2025 and in being split the Refuse Collection element of the contract is being re-tendered. Comparison with other authorities demonstrates the current specification provides a basic low cost service - the revised specification has enhanced the 5 areas below:</p> <ol style="list-style-type: none"> 1. Time Banded Evening Collections 2. Enhanced Communal Refuse Collections (Monday to Friday) 3. Enhanced Communal Recycling Collections (Monday to Friday) 4. Enhanced Flats Over Shops Evening Collection Plus Commercial Food Collection (Monday to Friday Evening) <p>The bid is to cover the estimated increase in annual costs, the true cost will be determined by the result of the tendering process.</p>		575			GNS1
		Service Implication	The current tendered service for waste and street cleansing is being split from 1 April 2025 with the street cleansing service being brought back in-house and the waste collection service being re-tendered					
		Staffing Implications	n/a					
		Strategic Priorities implications	As well as being a statutory service this service is key to the delivery of a number of priorities with the "Civic Pride" Corporate Objective					
		Impact on other departments	Staff from other departments are incorporated into the meetings for the planning, delivery and governance of the service being re-tendered					
		Equalities Implications	It is envisaged that staff will TUPE to the new contractor at the cessation of the existing contract. The tender specification requires pay parity with staff directly employed by Merton					

GROWTH PROPOSALS 2024-28
DEPARTMENT: Environment, Civic Pride & Climate

Panel	Ref	Description of growth		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
SC		Service/Section	Public Space, Contracts & Commissioning					
		Description	Enhanced In-House Street Cleansing Service - The Phase C contract will end on 31 March 2025 and in being split the Street Cleansing element of the contract is being re-tendered. Comparison with other authorities demonstrates the current specification provides a basic low cost service, feedback from residents has highlighted dissatisfaction with the current service and the need for enhancement - the growth figure includes enhancements in the options matrix.		1,425			GS1 & GNS1
		Service Implication	Service improvement based on: Enhanced frequency based service - supported by reactive teams Proactive flytipping removal teams Proactive graffiti removal teams Enhanced town centre cleaning, including pavement washing					
		Staffing Implications	Increased number of operational staff - approx. 22% increase					
		Strategic Priorities implications	As well as being a statutory service this service is key to the delivery of a number of priorities with the "Civic Pride" Corporate Objective					
		Impact on other departments	Staff from other departments are incorporated into the meetings for the planning, delivery and governance of the service being re-tendered					
		Equalities Implications	It is envisaged that staff will TUPE to Merton at the cessation of the existing contract, appointment to any staff vacancies will be undertaken using Merton's processes and procedures and using Merton's employment terms and conditions					
Total				0	2,000	0	0	

MEDIUM TERM FINANCIAL STRATEGY 2024-28

CHILDREN, LIFELONG LEARNING AND FAMILIES: GROWTH 2024-28

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Childrens Social Care - New Children's Home in Merton - feasibility & project costs *	105	(40)	(65)	0
Total : CHILDREN, LIFELONG LEARNING AND FAMILIES Growth 2024-28	105	(40)	(65)	0
Cumulative Total	105	65	0	0

* DENOTES FUNDING FROM RESERVES

GROWTH PROPOSALS 2024-28

DIRECTORATE: Children, Lifelong Learning and Families

Panel	Ref	Description of growth		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
C&YP	CLLF 2425 02	Service/Section Description	Childrens Social Care New Children's Home in Merton - feasibility & project costs	105	(40)	(65)		GP1 FUNDING FROM RESERVES
		Service Implication	To undertake a feasibility study and business plan development for a new Children's Home in Merton, to keep children in residential care in Merton (where appropriate) and at lower cost. Currently, commissioned care home placements cost between £184K and £724K per year. Other LAs in London have developed their own care homes to provide greater assurance on safety, quality and cost. The feasibility study would consider the potential as an invest to save project, site and management options. NB if an LBM site it may require capital investment but RSL sites may also be available, with the cost of works covered through rental payments. If a scheme proceeds on an LBM site (or involves a capital grant) the costs of this stage may be capitalizable					
		Staffing Implications	None at this stage. The feasibility study would examine options to directly provide or contract					
		Strategic Priorities implications	Civic Pride					
		Impact on other departments	Site and potential demand on capital programme					
		Equalities Implications	The feasibility would include a full EIA, but it is expected that if taken forward it would have a positive impact on children in care with protected characteristics					
		Total		105	(40)	(65)	0	
		Cumulative Total		105	65	0	0	

DEPARTMENT: Innovation and Change

Panel	Ref	Description of growth		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Type of Growth (see key)
Page 45	2024-25 ICG5	Service/Section Description	All Directorates	260	45	43	38	GS1
		Service Implication	Organisational Pay Review Merton is currently carrying a high number of interim staff at the top of the organisation, which is a major contributing factor to a high overall agency spend. This creates instability in the leadership of the organisation and makes it more difficult to drive through change. The pay review aims to address this.					
		Staffing Implications	The new scales will apply across tier 1 (EDs), tier 2 (ADs) and senior tier 3 (senior service heads). There will be no pay increases at tier one, just a regularisation of the market factor pay currently applied to ED roles.					
		Strategic Priorities implications	Merton struggles to recruit permanently to a number of roles, and one factor in this is that our substantive pay is often lower than that offered by our statistical and geographical neighbours. There is a need for a pay review across the organisation, a major piece of work that will take around 18 months. The first phase of this work has been to review pay at the top three tiers of the organisation to allow us to permanently recruit into those senior roles, to regularise market factor supplements where they exist, and avoid ongoing and unsustainable agency/interim frees.					
		Impact on other departments	This is a review of senior pay across all departments					
		Equalities Implications	None as this will be a Council wide review, with the senior pay review being the first phase					
Total				260	45	43	38	

Type of Growth Key

- GI1** Income: Decrease due to fall in demand for service
- GI2** Income: Decrease due to reduction/deletion of service
- GS1** Staffing: increase in level of service
- GS2** Staffing: New service
- GNS1** Non - Staffing: increase in level of service
- GNS2** Non - Staffing: New service
- GP1** Addition to Procurement / Third Party arrangements
- GPROP** Increase in Property Related costs

Panel

- C&YP** Children & Young People
- CC** Corporate Capacity
- HC&OP** Healthier Communities & Older People
- SC** Sustainable Communities

MEDIUM TERM FINANCIAL STRATEGY 2024-28

Growth - Priority Proposals that could be funded from Reserves	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Innovation and Change	385	320	0	0	705
Finance and Digital	0	0	0	0	0
Housing and Sustainable Development	0	0	0	0	0
Environment, Civic Pride and Climate	313	253	100	0	666
Children, Lifelong Learning, and Families	105	65	0	0	170
Adult Social Care, Integrated Care, and Public Health	0	0	0	0	0
Total Growth 2024-28	803	638	100	0	1,541

Funded from Reserves	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Communications: Add Communications Manager post into the permanent establishment	65	0	0	0
Customer, Policy and Improvement: Creation of a transformation team	320	320	0	0
Total : INNOVATION AND CHANGE Growth Funded from Reserves	385	320	0	0

Funded from Reserves	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
	0	0	0	0
Total : FINANCE AND DIGITAL Growth 2024-28	0	0	0	0

Funded from Reserves	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Future Merton - Traffic Management and Transport Planning	262	228	100	
Future Merton - Highways - Highways Development/Licensing Officer	51	25		
Total : ENVIRONMENT, CIVIC PRIDE AND CLIMATE Growth 2024-28	313	253	100	0

Funded from Reserves	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Childrens Social Care - New Children's Home in Merton - feasibility & project costs	105	65	0	0
Total : CHILDREN, LIFELONG LEARNING AND FAMILIES Growth 2024-28	105	65	0	0

**SUMMARY OF DIRECTORATE SAVINGS AND FEES AND CHARGES PROPOSALS
AND EQUALITIES AND IMPACT ASSESSMENTS**

- i) Directorate Summary of Savings proposals
- ii) Directorate Summary of Fees and Charges proposals
- iii) Directorate Summary of Equalities Impact Assessments

Appendix 3a: Innovation and Change

Appendix 3b: Finance and Digital

Appendix 3c: Housing and Sustainable Development

Appendix 3d: Environment, Civic Pride and Climate

Appendix 3e: Children, Lifelong Learning, and Families

Appendix 3f: Adult Social Care, Integrated Care, and Public Health

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MEDIUM TERM FINANCIAL STRATEGY 2024-28

Priority Savings Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Innovation and Change	36	565	0	0	601
Finance and Digital	380	0	0	0	380
Housing and Sustainable Development	377	(40)	(60)	0	277
Environment, Civic Pride and Climate	310	30	0	0	340
Children, Lifelong Learning, and Families	60	0	0	0	60
Adult Social Care, Integrated Care, and Public Health	538	257	370	387	1,552
Total Savings 2024-28	1,701	812	310	387	3,210
Cumulative Total	1,701	2,513	2,823	3,210	

MEDIUM TERM FINANCIAL STRATEGY 2024-28

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Fees and Charges Review - Additional Income	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Innovation and Change	0	0	0	0	0
Finance and Digital	0	0	0	0	0
Housing and Sustainable Development	185	0	0	0	185
Environment, Civic Pride and Climate	223	(23)	0	0	200
Children, Lifelong Learning, and Families	0	0	0	0	0
Adult Social Care, Integrated Care, and Public Health	50	150	0	0	200
Total Savings 2024-28	458	127	0	0	585
Cumulative Total	458	585	585	585	

SUMMARY OF EQUALITIES ASSESSMENTS - SAVINGS TO CABINET 16 November 2023

SAVINGS REFERENCE	CABINET	DIRECTORATE	SAVING	OUTCOME
2024-25 ICS1	16 November 2023	Innovation and Change	Communications and Engagement - Renegotiating and reprocurement of service contracts and income generation	1
2024-25 ICS2	16 November 2023	Innovation and Change	Transformation and Change - Review of admin and business support.	2
2024-25 FDS1	16 November 2023	Finance and Digital	Resources - Insurance Reduce contribution to the insurance provision	1
2024-25 FDS2	16 November 2023	Finance and Digital	Resources - Treasury -Increased interest income from Treasury Management activities	1
2024-25 FDS3	16 November 2023	Finance and Digital	I&T - IT Costs Decommissioning of Citrix	1
HSD2425-S01	16 November 2023	Housing & Sustainable Development	Development management and enforcement – reallocate heritage work amongst the team	1
HSD2425-S02	16 November 2023	Housing & Sustainable Development	Development management and enforcement – more effective allocation of administration tasks	1
HSD2425-S03	16 November 2023	Housing & Sustainable Development	Climate change/strategic planning/ future merton – more effective use of climate change budgets	1
HSD2425-S04	16 November 2023	Housing & Sustainable Development	Facilities Management - Reduction in vacant posts	1
HSD2425-S05	16 November 2023	Housing & Sustainable Development	Facilities Management - Review printing services, move to paperless and remove printers where possible.	1
ECPC2425-S01	16 November 2023	Environment, Civic Pride and Climate	Waste Services - disposal/treatment of food and garden waste	1
ECPC2425-S02	16 November 2023	Environment, Civic Pride and Climate	Greenspace - Reduce Highways Verge Cutting Frequency	1
ECPC2425-S03	16 November 2023	Environment, Civic Pride and Climate	CPZ Programme - Budget reduction without loss of function/service	1
ECPC2425-S04	16 November 2023	Environment, Civic Pride and Climate	SLWP - Management and Admin charges - Reduction of contractual payment to SLWP	1
ECPC2425-S06	16 November 2023	Environment, Civic Pride and Climate	Highways and Transportation - Increase in fees and charges for crossovers and streetworks charges by 15%	N/A
ECPC2425-S07	16 November 2023	Environment, Civic Pride and Climate	Leisure - short term lease to Hilton Pharmacy for full responsibility for Morden Assembly Hall	2
CLLF202425 S01	16 November 2023	Children, Lifelong Learning, and Families	Education and Early Help - Pre-schools	1
ASCICPH 121	16 November 2023	Adult Social Care, Integrated Care, & Public Health	Adult Social Care- Supported Living Placements	1
ASCICPH 122	16 November 2023	Adult Social Care, Integrated Care, & Public Health	Adults - Reablement	1
ASCICPH 123	16 November 2023	Adult Social Care, Integrated Care, & Public Health	Mental Health - S75 agreement	2
ASCICPH 124	16 November 2023	Adult Social Care, Integrated Care, & Public Health	Mental Health Brokerage	1
ASCICPH 125	16 November 2023	Adult Social Care, Integrated Care, & Public Health	Adult Social Care Placements- Homecare	1
ASCICPH 126	16 November 2023	Adult Social Care, Integrated Care, & Public Health	Adult Social Care & Public Health (Integration of Commissioning Functions)	1
ASCICPH 127	16 November 2023	Adult Social Care, Integrated Care, & Public Health	Review of ASC Fees and Charges	2

MEDIUM TERM FINANCIAL STRATEGY 2024-28

Priority Savings Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Innovation and Change</u>					
Communications and Engagement - Renegotiating and reprocurement of service contracts and income generation	0	65	0	0	65
Transformation and Change - Review of admin and business support.	36	500	0	0	536
Total Savings 2024-28	36	565	0	0	601
Cumulative Total	36	601	601	601	

PROPOSED SAVINGS 2024-28
DEPARTMENT: Innovation and Change

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Page 52	2024-25 ICS1	Service/Section	Communications and Engagement								
		Description	Renegotiating and reprocurement of service contracts and income generation	1,012	65				Medium	Medium	S12/SNS1
		Service Implication	The service currently holds a number of expensive IT system contracts that can be reprocured or cancelled, leading to savings. There is additional scope for income generation through advertising, in-house graphic design services and other commercial activity.								
		Staffing Implications	N/A								
		Strategic Priorities implications	N/A								
		Impact on other departments	N/A								
		Equalities Implications	N/A								

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PROPOSED SAVINGS 2024-28
DEPARTMENT: Innovation and Change

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Page 53	2024-25 ICS2	Service/Section	Transformation and Change						Medium	Low	SS1
		Description	Review of admin and business support.	8,000	36	500					
		Service Implication	The review will lead to better and more streamlined business support and administration across the organisation, and will aim to create more apprenticeships in place of agency staff reliance.								
		Staffing Implications	review will require wide ranging staff restructure, extensive staff and TU consultation								
		Strategic Priorities implications	Will support the effective delivery of all								
		Impact on other departments	Will support the effective delivery of all								
		Equalities Implications	There will be full EIAs carried out as the review progresses								
Total Savings Proposals 2024-28					36	565	0	0			

Equality Analysis



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

What are the proposals being assessed?	Communications Team - Renegotiating and reprocurement of service contracts and income generation. (Ref.2024-25 ICS1)
Which Department/ Division has the responsibility for this?	Innovation and Change

Stage 1: Overview

Name and job title of lead officer	Matt Burrows, Interim Head of Communication and Engagement
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The service currently holds a number of expensive IT system contracts that can be reprocured or cancelled, leading to savings. There is additional scope for income generation through advertising, in-house graphic design services and other commercial activity.
2. How does this contribute to the council's corporate priorities?	Improved value for money and increased income.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Impact will be on commercial organisations with which the Council ends its contractual arrangements with.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Finance and Digital hold a number of the contracts within the scope of this proposal. The Communication Team will retain overall responsibility.

Stage 2: Collecting evidence/ data

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

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

Contract Register.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		✓		✓	
Disability		✓		✓	
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓		✓	
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

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

N/A

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

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

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

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

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

Stage 6: Reporting outcomes

10. Summary of the equality analysis



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

This Equality Analysis has resulted in an Outcome 1 Assessment

Please include here a summary of the key findings of your assessment.

- The assessment has identified no potential for positive or negative impacts on protected characteristics.

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Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Keith Burns, Interim Assistant Director: Customers, Policy and Improvement.	Signature: 	Date: 25 October 2023
Improvement action plan signed off by Director/ Head of Service	Polly Cziok, Executive Director for Innovation and Change	Signature: 	Date: 25 October 2023

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Equality Analysis

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

What are the proposals being assessed?	Council-wide Admin and Business Support functions (Ref.2024-25 ICS2)
Which Department/ Division has the responsibility for this?	Innovation and Change; Customers, Policy and Improvement

Stage 1: Overview	
Name and job title of lead officer	Keith Burns, Interim Assistant Director: Customers, Policy and Improvement
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The review will lead to better and more streamlined business support and administration across the organisation and will aim to create more apprenticeships in place of reliance on agency staff.
2. How does this contribute to the Council's corporate priorities?	Improved internal support to service delivery teams (supporting improved outcomes for residents) and better value for money.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>An initial review of posts in scope has identified approximately 205 posts across 120 roles. The 120 roles encompass a broad spectrum of administrative and business support roles, as well as associated roles such as programme management and support roles.</p> <p>There are a small number of service areas, primarily those delivered via partnership arrangements, which it has been agreed will be excluded from the scope of the review.</p>
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The scope of the review encompasses the six Directorates within the Council.

Stage 2: Collecting evidence/ data

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

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

Information on the roles and posts in scope has been provided by Human Resources. The analysis to date has used anonymized data. During the course of the proposed review further work will be undertaken to understand the breakdown of the cohort of the in-scope workforce in order to be able to identify the extent to which there is the potential for disproportionate impact on particular protected characteristics. This more detailed analysis will allow for more nuanced and targeted mitigation strategies to be developed in respect of any disproportionate impacts identified.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	✓		✓		Increasing apprenticeship opportunities may positively impact opportunities for younger people to begin a career with the Council. Although further analysis is required, the likely age profile of the existing cohort of employees may mean a disproportionate impact on older employees.
Disability	✓		✓		There may be positive impacts in terms of new systems, processes and technologies making roles more accessible to individuals with particular disabilities (subject to further testing). Again, further analysis is required, but there is the possibility for disproportionate impact depending on the proportion of individuals with disabilities in the overall in-scope cohort.
Gender Reassignment		✓		✓	No positive or negative impacts identified at this stage, but this will be subject to more detailed testing as outlined above.
Marriage and Civil Partnership		✓		✓	No positive or negative impacts identified at this stage, but this will be subject to more detailed testing as outlined above.
Pregnancy and Maternity		✓		✓	No positive or negative impacts identified at this stage, but this will be

					subject to more detailed testing as outlined above.
Race		✓	✓		Again, further analysis is required, but there is the possibility for disproportionate impact depending on the proportion of individuals from black and minority ethnic communities in the overall in-scope cohort.
Religion/ belief		✓		✓	No positive or negative impacts identified at this stage, but this will be subject to more detailed testing as outlined above.
Sex (Gender)	✓		✓		Improved career pathways may provide positive impacts dependent on the gender balance across the overall in-scope cohort. Again, further analysis is required, but there is the possibility for disproportionate impact depending on the gender balance across the overall in-scope cohort.
Sexual orientation		✓		✓	No positive or negative impacts identified at this stage, but this will be subject to more detailed testing as outlined above.
Socio-economic status	✓		✓		Improved career pathways and apprenticeships may provide positive impacts for low-income households and individuals. Negative impacts may arise as a result of the fact that the salaries of a significant proportion of the in-scope roles and posts are at the lower end of the Council's pay scales.

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

This is an initial analysis prior to the review being commenced. The mitigation has several components:

- The review will be undertaken in a manner that is fully consistent with the Councils Policy and Procedures for managing Organisational Change.
- Further analysis of individualised data to provide a richer understanding of the potential for negative impact in regards to specific protected characteristics (and combinations of protected characteristics) as a precursor to developing more targeted mitigation actions.
- Ongoing engagement with the in-scope workforce to understand potential impacts and to co-design mitigations.
- Further full EIAs to be undertaken at relevant points in the review and in particular in relation to proposed new / changed delivery models.

Stage 4: Conclusion of the Equality Analysis

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

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

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- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Further detailed analysis of the in-scope workforce is required in order to better understand the scope for positive or negative impacts to be present.	Completion of the more detailed analysis with support from Human Resources.	Analysis completed and outcome report presented to Corporate Management Team	31 January 2024	Existing	Keith Burns	Yes
Potential for negative impacts identified against five Protected Characteristics.	Compliance with Council's Policies and Procedures for managing organisational change.	End of review report completed.	31 May 2024	Existing	Keith Burns	Yes
	Completion of the detailed analysis referred to above.	Analysis completed and outcome report presented to Corporate Management Team	31 January 2024	Existing	Keith Burns	Yes

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

Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 2 Assessment

Please include here a summary of the key findings of your assessment.

- The assessment has identified the potential for a number of positive and negative impacts across five of the Protected Characteristics.
- It is recognized that further detailed analysis of the in-scope cohort is required in order to ascertain with a greater degree of confidence the potential for either positive or negative impacts to be present, which in turn will allow for more tailored mitigations to be developed and implemented. This further analysis may also change the impact assessment for the remaining five Protected Characteristics.
- Compliance with the Council's Policies and Procedures for managing organizational change is an important element of the mitigation plan, as is engagement with the in-scope workforce and co-design of mitigating actions.

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Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Keith Burns, Interim Assistant Director: Customers, Policy and Improvement.	Signature: 	Date: 25 October 2023
Improvement action plan signed off by Director/ Head of Service	Polly Cziok, Executive Director for Innovation and Change	Signature: 	Date: 25 October 2023

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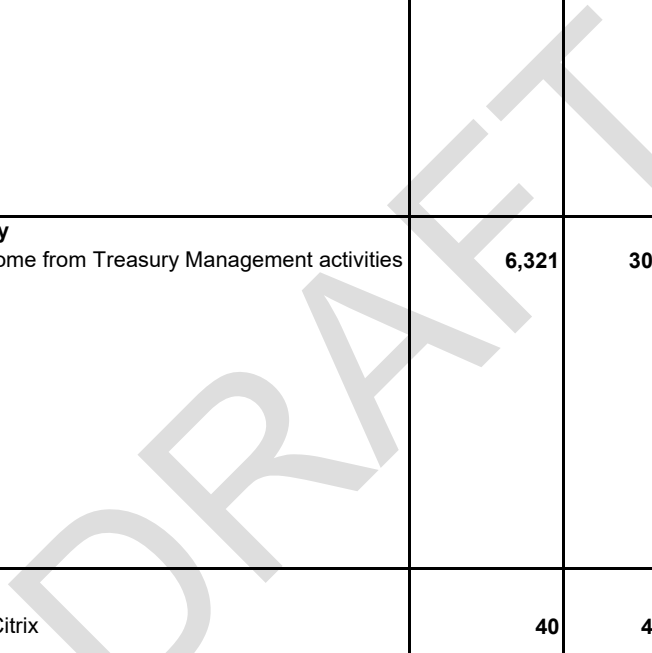
MEDIUM TERM FINANCIAL STRATEGY 2024-28

Priority Savings Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Finance and Digital</u>					
Resources - Insurance Reduce contribution to the insurance provision	40	0	0	0	40
Resources - Treasury -Increased interest income from Treasury Management activities	300	0	0	0	300
I&T - IT Costs Decommissioning of Citrix	40	0	0	0	40
Total Savings 2024-28	380	0	0	0	380
Cumulative Total	380	380	380	380	

PROPOSED SAVINGS 2024-28

DEPARTMENT: Finance and Digital

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2024-25 FDS1	Service/Section	Resources - Insurance								
		Description	Reduced contribution to the insurance provision on the basis of a review of the Council's risk profile	644	40				Low	Low	SNS1
		Service Implication	None								
		Staffing Implications	None								
		Strategic Priorities implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	2024-25 FDS2	Service/Section	Resources - Treasury								
		Description	Increased interest income from Treasury Management activities	6,321	300				Low	Low	SI1
		Service Implication	None								
		Staffing Implications	None								
		Strategic Priorities implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	2024-25 FDS3	Service/Section	I&T - IT Costs								
		Description	Decommissioning of Citrix	40	40				Low	Low	SNS1
		Service Implication	Decommission the current Citrix infrastructure and provide laptops to those staff currently using the Pi desktop equipment. This will reduce the operating costs of the IT operating environment.								
		Staffing Implications	Staff will provided with laptops instead of using the current PI desktop equipment								
		Strategic Priorities implications	None								
		Impact on other departments	Impact on the way staff access IT, though the number of staff using PI equipment has reduced given the shift towards SMART								
		Equalities Implications	none								
Total Savings Proposals 2024-28					380	0	0	0			



Equality Analysis



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

What are the proposals being assessed?	A series of Finance and Digital Service savings (Ref. 2024-25 FDS 01 & 02)
Which Department/ Division has the responsibility for this?	Finance and Digital

Stage 1: Overview

Name and job title of lead officer	Roger Kershaw. DoF Finance and Digital
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Various savings in back office costs from 24/25:- Insurance contributions £40,000 Treasury Management Activities £300,000
2. How does this contribute to the council's corporate priorities?	Assists with balancing the budget.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	None
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	None

Stage 2: Collecting evidence/ data

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

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

- An analysis of recent years spend and income data.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age				✓	Back office savings will not directly affect protected characteristics.
Disability				✓	
Gender Reassignment				✓	
Marriage and Civil Partnership				✓	
Pregnancy and Maternity				✓	
Race				✓	
Religion/ belief				✓	
Sex (Gender)				✓	
Sexual orientation				✓	
Socio-economic status				✓	

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

N/A

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

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

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

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

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

Stage 6: Reporting outcomes

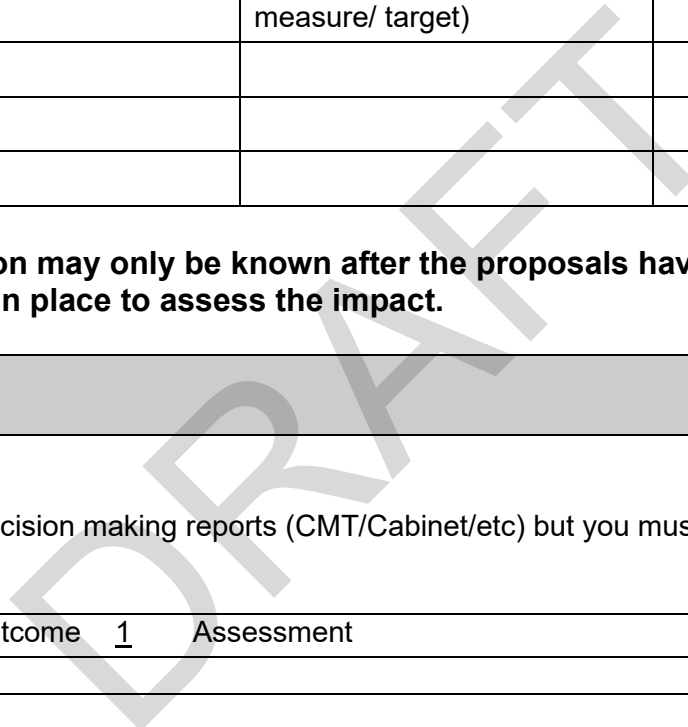
10. Summary of the equality analysis


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

This Equality Analysis has resulted in an Outcome 1 Assessment

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Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Roger Kershaw, DoF Finance & Digital	Signature: 	Date:25.10.23
Improvement action plan signed off by Director/ Head of Service	Asad Mushtaq, Executive Director, Finance & Digital	Signature: <i>Asad Mushtaq</i>	Date:1.11.23

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Equality Analysis

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet
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What are the proposals being assessed?	Removal of Citrix Infrastructure & Equipment (Ref. 2024-25 FDS3)
Which Department/ Division has the responsibility for this?	Finance and Digital / Infrastructure and Technology

Stage 1: Overview

Name and job title of lead officer	Richard Warren, Head of IT Service Delivery
<p>1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)</p>	<p>Citrix is an IT solution which provides a virtual desktop to users, there is a complex architecture and the backend which includes physical servers. Citrix technology has not really been developed and now provides quite limited functionality in comparison with some other available solutions which provide the same features but with the additional benefit of being hosted in the Cloud.</p> <p>This change will deliver direct financial savings to the Council of approximately £40k per annum.</p> <p>The proposal is to remove this current service and replace it with a cloud-based solution called Azure Virtual Desktop (AVD) and replace the limited functionality Pi desk top boxes and provide officers with one of a number of different equipment options which include laptops, PC's and mobile devices depending on the nature of the role being undertaken.</p> <p>However, there are a very limited number of service areas which due to the nature of the services provided and the systems they use will still require this virtual desktop environment, and the proposal these will be migrated to the AVD.</p>
2. How does this contribute to the council's corporate priorities?	This proposal supports the Councils wider digital IT strategy of Cloud first.
3. Who will be affected by this proposal? For example who are the external/internal customers,	This proposal will affect all users who currently use the Citrix environment and therefore we will be engaging with individual teams to identify their specific operational requirements so that we can provide the most appropriate type of equipment. This proposal will not impact external customers, the wider community or partner organisations.

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communities, partners, stakeholders, the workforce etc.	
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	As this is a move to using an alternative infrastructure/system there are no other departments involved, but service users in every department will be affected as they will need to move to using different desktop equipment or alternatively use the new AVD.

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Stage 2: Collecting evidence/ data**5. What evidence have you considered as part of this assessment?**

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

This is the replacement of an operational IT system, and we are not removing or reducing any service provision so on that basis we do not foresee any potential issues in respect to equality groups being affected.

This proposal may require some minor adjustments to existing working arrangements for some members of staff who will be issued with new equipment, but this will be covered as part of a local risk assessment process when assessing the most appropriate item of equipment to issue. We have now more laptops deployed and make strategic sense to provide laptops to all users. Where there are common areas and officers cannot change laptops, we will provide a PC.

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Stage 3: Assessing impact and analysis**6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?**

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		X		X	
Disability		X		X	
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race		X		X	
Religion/ belief		X		X	
Sex (Gender)		X		X	
Sexual orientation		X		X	

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

No issues identified requiring mitigation.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan**9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact**

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

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

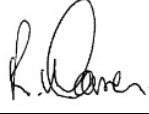

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

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Stage 6: Reporting outcomes**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome	<u>1</u>	Assessment
This Equality Impact Assessment has indicated that there are no negative or positive impacts. We are swapping systems and providing laptops or PC's to provide better connectivity and the ability for officers to work with a single device.		

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Richard Warren	Signature: 	Date: 20/10/23
Improvement action plan signed off by Director/ Head of Service	Mark A Humphries	Signature: 	Date: 20 th October 2023

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MEDIUM TERM FINANCIAL STRATEGY 2024-28

Priority Savings Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Housing and Sustainable Development</u>					
Development management and enforcement – reallocate heritage work amongst the team	41	0	0	0	41
Development management and enforcement – more effective allocation of administration tasks	94	0	0	0	94
Climate change/strategic planning/ future merton – more effective use of climate change budgets	150	(90)	(60)	0	0
Facilities Management - Reduction in vacant posts	92	0	0	0	92
Facilities Management - Review printing services, move to paperless and remove printers where possible.	0	50	0	0	50
Total Savings 2024-28	377	(40)	(60)	0	277
Cumulative Total	377	337	277	277	

Fees and Charges Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Housing and Sustainable Development</u>					
Development management - Review planning fee income	185	0	0	0	185
Total Fees and Charges Proposals 2024-28	185	0	0	0	185
Cumulative Total	185	185	185	185	

PROPOSED SAVINGS 2024-28
DEPARTMENT: Housing and Sustainable Development

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Page 83	HSD2425-S05	Service/Section	Facilities Management	Budgets sit across numerous departments and the baseline need to be properly assessed as part of the review.		50			Medium	Low	SNS1
		Description	Review printing services, with a look to move to more paperless working, and remove printers where possible and/or provide printing more efficiently. This would bring small savings, but not significant as the lease for the printers has already run out, so we are only paying click charges.								
		Service Implication	Implication for efficiency for those reliant on paper - particularly SLLP, Parking Services (permit printing), MASH, Mascot. Would need to work with staff to move to paperless and support with culture change and ways of working								
		Staffing Implications	Change management required to move towards a more paperless way of working for all staff and members								
		Strategic Priorities implications	Supports our climate emergency priorities								
		Impact on other departments	Impacts all departments - but review will look at how to reduce paper usage and find savings in an efficient way and supporting staff to move paperless and use the technology already available to them through Office 365 etc								
		Equalities Implications	Could have equalities impacts for staff who need to use paper more than screen (potentially those with neuro-diversity issues or other accessibility issues with computers). Would need to be investigated further.								
Total Savings Proposals 2024-28					377	(40)	(60)	0			

PROPOSED SAVINGS 2024-28

DEPARTMENT: Housing and Sustainable Development

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Page 84		Service/Section	Development management						Low	Medium	SI1
		Description	Review planning fee income in respect of doubling pre-application charges (extra £35,000), securing increased Planning Performance Agreement payments (up to £150,000), raising the planning application fees (estimated 15%) and bringing in external funding (from a total of £24 million) in line with the Central Government announcements w/c Monday 24th July. It should be noted that planning fees can only be used to pay for the planning department, and have to be ringfenced for this purpose		185						
		Service Implication	Can be used to support staffing budgets in the development management team								
		Staffing Implications	Can be used to support staffing budgets in the development management team - legally can only be used to support development management budgets								
		Strategic Priorities implications	n/a								
	Impact on other departments	n/a									
	Equalities Implications	n/a									
Total Savings Proposals 2024-28					185	0	0	0			

Equality Analysis



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

What are the proposals being assessed?	Proposed budget savings in the development management teams
Which Department/ Division has the responsibility for this?	Development management (Ref. HSD2425-S01 & HSD2425-S02)

Stage 1: Overview	
Name and job title of lead officer	Jonathan Berry
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Deleting two vacant posts, currently filled by interim agency staff. 1) the conservation/heritage officer post and 2) the administration team leader role
2. How does this contribute to the Council's corporate priorities?	The proposals support the Council's statutory duty to produce a balanced budget
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>The customers of development management are:</p> <ol style="list-style-type: none"> 1) Residents who want to do building works in the borough. 2) Developers who want to do building works in the borough. 3) All residents, who want to see all building works fairly considered, and agreed or refused planning according to policies and legal requirements. <p>The proposals will benefit the Council through providing savings which will allow a balanced budget to be produced.</p>
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The responsibility for delivering this service is not shared.

Stage 2: Collecting evidence/ data

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

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

Given this is the deleting of vacant posts, and it has been assessed that the work can be taken on by other parts of the service, no additional evidence has been considered or looked at, or deemed necessary.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		X		X	
Disability		X		X	
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race		X		X	
Religion/ belief		X		X	
Sex (Gender)		X		X	
Sexual orientation		X		X	
Socio-economic status		X		X	

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

No impacts identified.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

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

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

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

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

Stage 6: Reporting outcomes

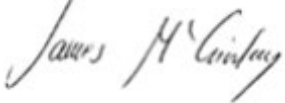

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 1 Assessment

Please include here a summary of the key findings of your assessment.

- What are the key impacts – both negative and positive – you have identified?
- Are there any particular groups affected more than others?
- What course of action are you advising as a result of this assessment?
- If your EA is assessed as Outcome 3 and you suggest to proceeding with your proposals although a negative impact has been identified that may not be possible to fully mitigate, explain your justification with full reasoning.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	James McGinley, Head of Regeneration, Environment, Civic Pride & Climate	Signature: 	Date: 20/10/23
Improvement action plan signed off by Director/ Head of Service	Lucy Owen, Executive Director of Housing and Sustainable Development	Signature: 	Date: 20/10/23

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Equality Analysis



Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet
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What are the proposals being assessed?	Reprofile of the climate action budget to make more efficient use of the funding (Ref: HSD202425 03)
Which Department/ Division has the responsibility for this?	Environment, Civic Pride & Climate/ Housing & Sustainable Development /Future Merton

Stage 1: Overview	
Name and job title of lead officer	Tara Butler, deputy Head of FutureMerton
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Amending parts of the climate funding to provide savings to help the Council maintain a balanced budget. These savings are proposed as: <ol style="list-style-type: none"> 1) Amending the business retrofit support scheme by -£130,000 in 24/25 and -£60k in 25/26. The project's scope can be fitted within the proposed reduced budget through more efficient use 2) Amending the climate outreach budget by -£20k. The project's scope can be reprofiled more efficiently.
2. How does this contribute to the council's corporate priorities?	The proposals support the Council's statutory duty to produce a balanced budget
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The customers of the climate funding are: <ol style="list-style-type: none"> 1) Businesses who want to make their businesses zero carbon 2) Residents and businesses who would be supported by outreach to let them know more about their individual choices to support the zero carbon agenda <p>The proposals will benefit the Council through providing savings which will allow a balanced budget to be produced.</p>
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The responsibility for delivering this service is shared between the Environment, Civic Pride & Climate and Housing & Sustainable Development Directorates.

Stage 2: Collecting evidence/ data

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

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

- 1) The -£20k amendment in climate outreach budget will not affect the ability of the council to continue to prioritise outreach and communication with people that have historically been underrepresented in the climate area (including people of different races, ages, abilities and socio-economic backgrounds) and will continue to support those with protected characteristics.
- 2) The Business Retrofit Support Scheme will be designed to align with the new budget envelope and the project will be designed to ensure equality of outcome.

For both projects the scope of how the support will be modified has not yet been defined in detail, but we will ensure that business owners and residents with protected characteristics are supported and targeted for support as required, and as we would with the existing funding. As such no impacts are foreseen.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		X		X	
Disability		X		X	
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race		X		X	
Religion/ belief		X		X	
Sex (Gender)		X		X	
Sexual orientation		X		X	

DRAFT

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

No impacts identified.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan**9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact**

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

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

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



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Stage 6: Reporting outcomes**10. Summary of the equality analysis**

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

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

Stage 7: Sign off by Director/ Head of Service

Assessment completed by	Tara Butler, Programme Manager, Environment, Civic Pride & Climate	Signature: 	Date: 20/10/23
Improvement action plan signed off by Director/ Head of Service	Lucy Owen, Executive Director of Housing and Sustainable Development	Signature: 	Date: 20/10/23

DRAFT

Equality Analysis



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

What are the proposals being assessed?	Proposal to delete two funded posts (Ref. HSD202425 04)
Which Department/ Division has the responsibility for this?	Housing & Sustainable Communities/ Infrastructure & Technology Division

Stage 1: Overview	
Name and job title of lead officer	Mark Humphries – Assistant Director Infrastructure & Technology
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>Proposal to delete two funded posts within the Facilities Management Major Projects team to reduce operating costs.</p> <p>The post are Major Projects Manager and Major Projects Surveyor which are funded as part of the current Facilities Management establishment with one post currently vacant and one being covered by a long term agency member of staff.</p> <p>The loss of these two posts will mean that any future large building repair or maintenance related project will have to be commissioned using external technical consultants costed at current commercial market fee rates.</p>
2. How does this contribute to the council's corporate priorities?	Not Applicable
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Short term there will not be any immediate impact but medium to long term any specialist technical support or duties that would have been carried out by the team, which includes design and project management of building related capital projects will need to be undertaken by external consultants at a direct cost to the Council.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	These posts currently technical support and deliver projects on behalf a number of teams within other directorates including leisure services and school Improvements

Stage 2: Collecting evidence/ data

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

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

As part of the FM trading account operating model these post have only ever been filled by agency members of staff. As the post deliver capital building projects, the service that is provided can be readily delivered by external consultants and therefore has no impact on any protected characteristics.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		X		X	
Disability		X		X	
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race		X		X	
Religion/ belief		X		X	
Sex (Gender)		X		X	
Sexual orientation		X		X	
Socio-economic status		X		X	

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

Not Applicable

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

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

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

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

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

Stage 6: Reporting outcomes

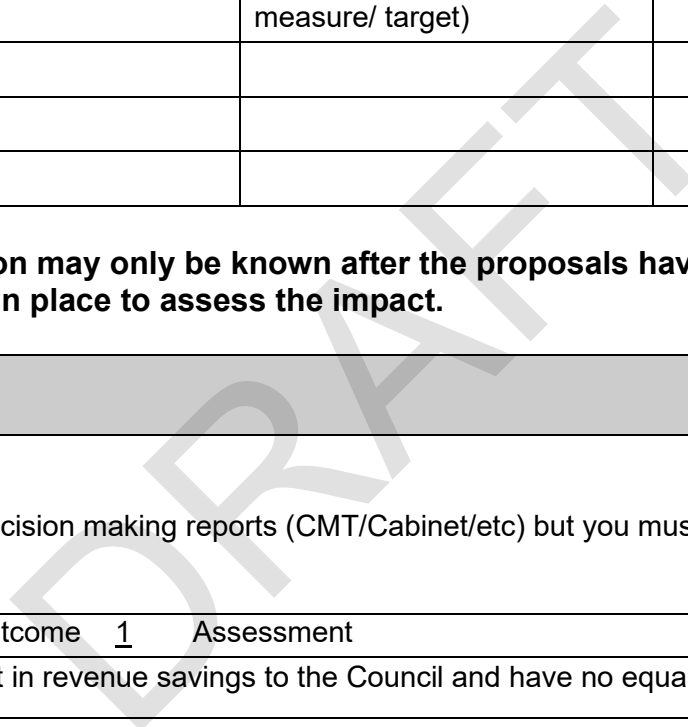
10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 1 Assessment

- The deletion of these posts should result in revenue savings to the Council and have no equalities impact.

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Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Nick Layton – Interim Head of Facilities	Signature: <i>A.N. Layton</i>	Date: 19.10.23
Improvement action plan signed off by Director/ Head of Service	Mark A Humphries – Assistant Director of Infrastructure and Technology	Signature: <i>Mark Humphries</i>	Date: 20 th October 2023

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Equality Analysis



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

What are the proposals being assessed?	Review printing services, with a look to move to more paperless working, and remove printers where possible and/or provide printing more efficiently. (Ref. HSD202425 05)
Which Department/ Division has the responsibility for this?	Finance & Digital / Infrastructure & Technology Division / Housing and Sustainable Development

Stage 1: Overview	
Name and job title of lead officer	Mark Humphries – Assistant Director Infrastructure & Technology
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Proposal to try and deliver some element of financial saving against the Council's current corporate operating costs, through a review of the Council's external operational buildings and a small volume of partner organisations including schools. This could include moving to a more paperless office and reducing the number of printing carried out and the equipment required to support this.
2. How does this contribute to the council's corporate priorities?	Helping to secure a balanced budget
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	This proposal will have an impact on those in the workforce who use day-to-day printing facilities, although it is expected that a transition to a reduction in reliance on printing for efficiency and environmental reasons would mitigate some of this. It could also potentially impact some external customers, partner organisations and the wider community. However, the review will look at any impacts and how this can be delivered and implemented to ensure efficiency is not lost
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Responsibility for providing the current networked printing and scanning facilities currently sits with both the IT Service Delivery, and the Facilities Management teams which now operate across both the Finance & Digital and Housing & Sustainable Communities departments.

Stage 2: Collecting evidence/ data

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

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

A full review of all the evidence and data will be undertaken as part of the review, to assess needs of those who print, how this can be reduced without impacting any groups with protected characteristics.

Stage 3: Assessing impact and analysis

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

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Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		X	X		This saving proposal requires some further detailed analysis to ensure any potential negative impacts from reducing printing are mitigated by using accessibility technology. The review will look at all the options for making savings and operational and equality impacts will be considered prior to any recommendations being made.
Disability		X	X		
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race		X		X	
Religion/ belief		X		X	
Sex (Gender)		X		X	
Sexual orientation		X		X	
Socio-economic status		X		X	

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

Unable to identify any potential remedies or impacts until a more detailed analysis of the proposal has been undertaken and what the potential impact might be if the equipment is removed.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
The template has been completed as an initial draft and therefore the actual impact is currently unknown	This proposal requires some further detailed analysis on the potential operational and equality related impacts before the final version of the Equality Assessment can be completed.	Not Applicable	March 2024	Existing	MH	No

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

Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 2 Assessment

Further work will be undertaken to properly assess both the operational and equality related impacts of withdrawing Multi-Functional Devices (i.e.) removing local networked printing and scanning devices from the Councils operational buildings, before a final equalities assessment is completed.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Mark A Humphries – Assistant Director of Infrastructure and Technology	Signature: <i>Mark Humphries</i>	Date: 20 th October 2023
Improvement action plan signed off by Director/ Head of Service	Asad Mushtaq – Executive Director of Finance & Digital	Signature: <i>Asad Mushtaq</i>	Date: 02/11/2023

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MEDIUM TERM FINANCIAL STRATEGY 2024-28

Priority Savings Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Environment, Civic Pride and Climate</u>					
Waste Services - Disposal/treatment of food and garden waste	150	0	0	0	150
Greenspace - Highways Verge Cutting	60	0	0	0	60
CPZ Programme - Budget reduction without loss of function/service	100	0	0	0	100
SLWP - Management and Admin charges - Reduction of contractual payment to SLWP	0	30	0	0	30
Total Savings 2024-28	310	30	0	0	340
Cumulative Total	310	340	340	340	

Fees and Charges Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Environment, Civic Pride and Climate</u>					
Highways and Transportation -Increase in fees and charges for a range of licences and services	200	0	0	0	200
Leisure - short term lease	23	(23)	0	0	(0)
Total Fees and Charges Proposals 2024-28	223	(23)	0	0	200
Cumulative Total	223	200	200	200	

PROPOSED SAVINGS 2024-28
DEPARTMENT: E,CP&C

Proposed saving

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ECPC2425-S01	Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	Waste Services SLWP have estimated savings for the disposal/treatment of food and garden waste for 23-24. No direct customer service implications due savings being a reduction in gate fees levied for treating food and green waste. This savings is limited to the duration of the contract and may be offset through higher waste volumes generated through household waste collections. There is also potential risk in the reduction in food waste processed as maturing food waste recycling services often have a reduction in overall tonnage collected as behaviours change. None Continues to support environmental targets for recycling None None	502	150				Medium/High	LOW	SP1
Page 107	ECPC2425-S02	Service/Section Description Service Implication Staffing Implications Strategic Priorities implications Impact on other departments Equalities Implications	Greenspace Highways verge cutting - change from an outcome-based requirement to a cyclical programme Improve the efficiency of Highways verge cutting by shifting from an outcome-based requirement to a cyclical programme, tailored by the parks and grounds maintenance service provider. This strategic approach will lead to resource savings through more efficient service delivery. It is expected to have a benefit of increased biodiversity reflecting our commitment to a greener and more sustainable community. Any excess growth in verge grass, in between cyclical cuts, that may affect sightlines on road junctions will be dealt with as necessary – as is currently. Potential reduction of FTEs from service providers seasonal workforce. Civic Pride / Sustainability None None	963	60				LOW	HIGH	SS2

PROPOSED SAVINGS 2024-28
DEPARTMENT: E,CP&C

Proposed saving

Panel	Ref	Description of Saving	Proposed saving					Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
			Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000			
	ECPC2425-S03	Service/Section Description CPZ Programme Budget reduction without loss of function/service Service Implication Reduced capacity to expand service if more CPZs are required. Staffing Implications None Strategic Priorities implications None Impact on other departments None Equalities Implications No assesment needed, the programme continues.	396	100				Low	Medium	SNS1
	ECPC2425-S04	Service/Section Description SLWP - Management and Admin charges Reduction of contractual payment to SLWP following end of Waste Collection Contract Service Implication Review and reprofile of the SLWP management support provided following the cessation of the Phase C, Lot 1 - street environment contract Staffing Implications No direct LBM staffing implications Strategic Priorities implications Sustainable Future Impact on other departments N/A Equalities Implications None	194		30			LOW	LOW	SP1
Total Savings Proposals 2024-28				310	30	0	0			

DRAFT

PROPOSED SAVINGS 2024-28
DEPARTMENT: E,CP&C

Proposed saving

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ECPC2425-S06	Service/Section Description	Highways and Transportation Increase in fees and charges for a range of licences and services including vehicle crossovers, streetworks permits, skip licencing, scaffold licencing and development site related charges by an average of 12%. Some fees will increase by a lower % and some by a higher %.	1,652	200				LOW	LOW	S11
		Service Implication	No impact, work undertaken as part of business as usual								
		Staffing Implications	No impact, work undertaken as part of business as usual								
		Strategic Priorities implications	No impact, work undertaken as part of business as usual and contributing to the maintenance and management of the highways.								
		Impact on other departments	No impact, work undertaken as part of business as usual. Impact of increased fees will feed through to developers and those requesting roadworks approvals.								
		Equalities Implications	No impact, no change in outcomes.								
Page 109	ECPC2425-S07	Service/Section Description	Leisure Provide a short term lease to local provider to utilise the Morden Assembly Hall. Savings will be on new income associated with a let of the facility.	0	23	(23)			MEDIUM	MEDIUM	S12
		Service Implication	No significant impact identified as no service related customers utilise the facility								
		Staffing Implications	None								
		Strategic Priorities implications	Civic Pride								
		Impact on other departments	Car park security is a potential risk point for attracting environmental crimes, including waste fly-tipping								
		Equalities Implications	None, assessment completed, no customers since 2019								
Total Savings Proposals 2024-28					223	(23)	0	0			

Equality Analysis

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

What are the proposals being assessed?	Estimated savings on the disposal and treatment of food and garden waste for 2023/24 Ref. ECPC 2425=S01
Which Department/ Division has the responsibility for this?	Environment, Civic Pride & Climate / Public Space

Stage 1: Overview

Name and job title of lead officer	John Bosley, Assistant Director – Public Space
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The SLWP have provided an estimated savings in the costs for the disposal and treatment of food and garden waste in the 2023/24 financial year.
2. How does this contribute to the council's corporate priorities?	This will support savings within the Civic Pride ambitions by reducing costs, and therefore value for money of delivered services.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The proposals will benefit the Council and ultimately residents and customers of the service by providing better value for money.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	No other department or authority shares responsibility.

Stage 2: Collecting evidence/ data

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

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

Evaluation and projected budgets delivered by the SLWP for the financial year.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	x			x	Value for Money of local services.
Disability	x			x	Value for Money of local services.
Gender Reassignment	x			x	Value for Money of local services.
Marriage and Civil Partnership	x			x	Value for Money of local services.
Pregnancy and Maternity	x			x	Value for Money of local services.
Race	x			x	Value for Money of local services.
Religion/ belief	x			x	Value for Money of local services.
Sex (Gender)	x			x	Value for Money of local services.
Sexual orientation	x			x	Value for Money of local services.
Socio-economic status	x			x	Value for Money of local services.

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

None identified.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

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

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

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

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

Stage 6: Reporting outcomes



10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome [1](#) Assessment

- There are no negative impacts identified through this Assessment.

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Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	John Bosley, Assistant Director – Public Space	Signature: 	Date: 25/10/23
Improvement action plan signed off by Director/ Head of Service	Dan Jones, Executive Director – Environment, Civic Pride and Climate	Signature: 	Date: 2/11/2023

DRAFT

Equality Analysis

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

What are the proposals being assessed?	Highways verge cutting - change from an outcome-based requirement to a cyclical programme Ref. ECPC2425-S02
Which Department/ Division has the responsibility for this?	Environment, Civic Pride & Climate / Public Space

Stage 1: Overview	
Name and job title of lead officer	Andrew Kauffman – Head of Parks Services
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Improve the efficiency of Highways verge cutting by shifting from an outcome-based requirement to a cyclical programme, tailored by the parks and grounds maintenance service provider. This strategic approach will lead to resource savings through more efficient service delivery.
2. How does this contribute to the council's corporate priorities?	This will support the Civic Pride and Sustainable Future priorities by providing best value for the Council through less intensive management of green infrastructure, resulting in improved biodiversity, less carbon intensive works.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Broadly, all residents and visitors to the borough will be indirectly or directly impacted, especially in local communities where grass verges play a significant part of the local amenity.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Overall responsibility for the service is within the Parks and Greenspaces team with secondary involvement with the Highways Team in FutureMerton, ensuring that roads are safe from a traffic perspective i.e. ensuring sightlines are maintained at road junctions.

Stage 2: Collecting evidence/ data

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

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

The impact of the operational changes to cutting the highways verges – from an outcome to a cyclical based specification – has been reviewed and there is not expected impact on the protected characteristics. It is expected to have a benefit of increased biodiversity reflecting our commitment to a greener and more sustainable community. Any excess growth in verge grass, in between cyclical cuts, that may affect sightlines on road junctions will be dealt with as necessary – as is currently.

Stage 3: Assessing impact and analysis

Page 11 From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason
	Yes	No	Yes	No	
Age		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.
Disability		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.
Gender Reassignment		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.
Marriage and Civil Partnership		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.
Pregnancy and Maternity		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.
Race		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.
Religion/ belief		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.
Sex (Gender)		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.

Sexual orientation		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.
Socio-economic status		X		X	Highways verge cutting will continue to be carried out with no impact no positive or negative impacts on protected characteristic.

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

N/A

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

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Stage 5: Improvement Action Pan

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

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

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

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

Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome add Assessment

- The assessment primarily centered on the decision to shift from an outcome-based requirement to a cyclical programme. This change was evaluated for its environmental, economic, and community effects.
- The assessment has not identified any positive or negative impacts on protected characteristics.

Stage 7: Sign off by Director/ Head of Service

Assessment completed by	John Bosley, Director of Public Spaces	Signature: 	Date: 03/11/2023
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Stage 7: Sign off by Director/ Head of Service

Improvement action plan signed off by Director/ Head of Service

Dan Jones, ED Environment, Civic Pride and Climate

Signature:



Date: 03/11/2023

DRAFT

Equality Analysis



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

What are the proposals being assessed?	Reduction in CPZ budget (Ref. ECPC2425-S03)
Which Department/ Division has the responsibility for this?	ECPC: FutureMerton

Stage 1: Overview	
Name and job title of lead officer	Paul McGarry. Head of FutureMerton
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	£100,000 Budget reduction without loss of function - downsize CPZ delivery programme
2. How does this contribute to the council's corporate priorities?	Saving contributes to the MTFS whilst still delivering the service, albeit at a slower rate of CPZ roll-outs.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The impact of reducing the operating budget will mean that the programme for rolling out new Controlled Parking Zones (or edits to existing CPZ) will still continue, but at a slower rate with reduced staffing capacity.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Saving is contained within FutureMerton, however a slower roll-out of new CPZs could affect income to the parking services team. Income from future CPZs isn't currently forecast in Parking Services.

Stage 2: Collecting evidence/ data

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

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

The Council will continue to monitor and deliver controlled parking zones, with a greater emphasis on prioritization of new zones in consultation with the Cabinet Member. The service will continue with a smaller, elongated programme.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		x		x	Neutral / no impact
Disability		x		x	Neutral / no impact
Gender Reassignment		x		x	Neutral / no impact
Marriage and Civil Partnership		x		x	Neutral / no impact
Pregnancy and Maternity		x		x	Neutral / no impact
Race		x		x	Neutral / no impact
Religion/ belief		x		x	Neutral / no impact
Sex (Gender)		x		x	Neutral / no impact
Sexual orientation		x		x	Neutral / no impact
Socio-economic status		x		x	Neutral / no impact

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

None identified

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

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

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

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

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

Stage 6: Reporting outcomes

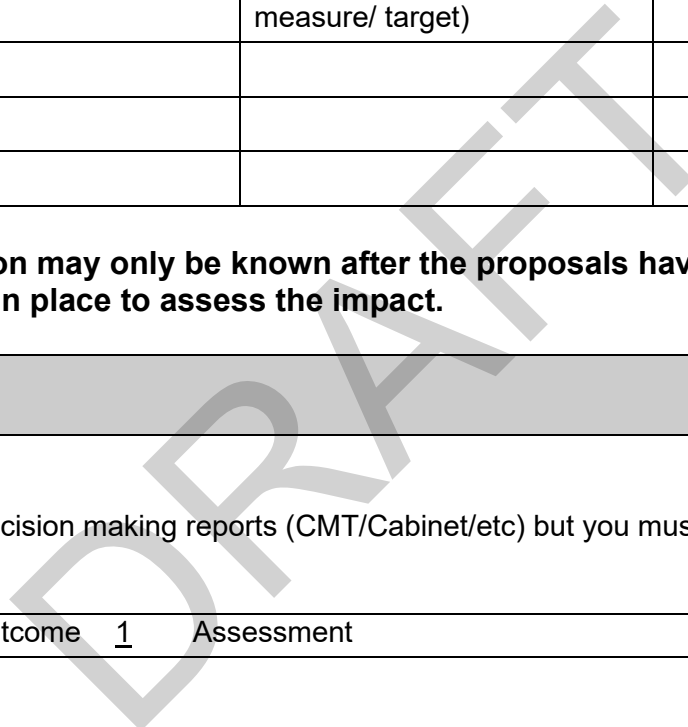
10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 1 Assessment

- Savings proposal to contribute to MTFS

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Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Paul McGarry	Signature: PMcG	Date: 25/10/23
Improvement action plan signed off by Director/ Head of Service	James McGinlay	Signature: JMcG	Date:25/10/23

DRAFT

Equality Analysis



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

What are the proposals being assessed?	South London Waste Partnership – Management and Admin Charges (Ref. ECPC2425-S04)
Which Department/ Division has the responsibility for this?	Environment, Civic Pride & Climate / Public Space

Stage 1: Overview	
Name and job title of lead officer	John Bosley, Assistant Director – Public Space
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The SLWP have provided an estimated savings in the Management and Administration functions from 2025/26 as a result of a reduction in costs.
2. How does this contribute to the council's corporate priorities?	This will support savings within the Civic Pride ambitions by reducing costs, and therefore value for money of delivered services.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The proposals will potentially affect staff within the South London Waste Partnership – a jointly funded organisation by Merton, Sutton, Kingston and Croydon.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	As above – Sutton, Croydon, Merton and Kingston jointly fund this organisation to provide contract management function for Waste Disposal and Collection services.

Stage 2: Collecting evidence/ data

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

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

Evaluation and projected budgets forecast by the SLWP for the financial year 25/26. At this stage it is not known whether the changes will have an impact on any individual with protected characteristics. A formal reorganisation process will be followed by the contracting authority (Croydon) as part of this process and an EQIA considered at the time.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Disability		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Gender Reassignment		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Marriage and Civil Partnership		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Pregnancy and Maternity		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Race		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Religion/ belief		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Sex (Gender)		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Sexual orientation		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.
Socio-economic status		x		x	None identified at this stage. Future EQIA will be completed as part of any reorganisation by contracting authority.

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

None identified.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan**9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact**

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

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

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



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Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome [1](#) Assessment

- There are no negative impacts identified through this Assessment.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	John Bosley, Assistant Director – Public Space	 Signature:	Date: 25/10/23
Improvement action plan signed off by Director/ Head of Service	Dan Jones, Executive Director – Environment, Civic Pride and Climate	 Signature:	Date: 02/11/2023

DRAFT

Equality Analysis



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

What are the proposals being assessed?	Safer Merton - Staff reduction of 1 FTE (Ref. ECPC2425-S05)
Which Department/ Division has the responsibility for this?	Environment, Civic Pride and Climate - Public Protection- Safer Merton

Stage 1: Overview	
Name and job title of lead officer	Megan Hatton- Head of Community Safety
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Delete the Business support Officer post. This role supports the Safer Merton team functions such as coordinating our strategic boards and supporting the work of the ASB team, including triaging and signposting cases as appropriate. The post also acts as first point of contact for residents into Safer Merton which links into the triaging process, ensuring the team meet service timescales and corporate KPIs. The role also supports the broad range of community engagement activities within Safer Merton, including days of visibility, hate crime advice surgeries and Merton Neighbourhood Watch. They also work closely on delivering community safety projects such as the bi-annual community safety consultation. This role is responsible for supporting Merton’s reducing reoffending board, by providing assistance with case management and enabling risk to be managed and linking in with wider council departments where necessary.
2. How does this contribute to the council’s corporate priorities?	Reallocating the responsibilities associated with the post to other team members, and deleting the post, will contribute to the strategic priority to deliver a balanced budget.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>The individual currently occupying the post will be impacted. This impact will be mitigated via the Council’s agreed Policies and Procedures relating to organisational change, redeployment and redundancy. Compliance with those Council’s policies and procedures will include ensuring that due regard is given to any protected characteristics of the individual postholder.</p> <p>The Safer Merton team will be impacted as a result of reduced capacity resulting from the reduction of a post. Further to this, deleting this role would impact on our ability to be proactive in terms of community engagement and visibility across the borough. This role assists in ensuring effective communication with partners but mainly residents and providing important information through a range of avenues, and deleting this post will require a reallocation of these functions to other team members to mitigate what would otherwise be a negative impact. An example of this is the recent work within Mitcham Town Centre, providing a pivotal function in engaging with businesses and taking the community safety survey out for</p>

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	completion. The role also represents Safer Merton at other events such as those focussed on youth engagement within colleges, which is a key area of focus for Safer Merton and ensuring youth voices are included in the work we do.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	N/A

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Stage 2: Collecting evidence/ data

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

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

A review of the job description and work programme for the post has been undertaken in order to better understand the impact and means of mitigating that impact.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics
Disability		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics
Gender Reassignment		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics
Marriage and Civil Partnership		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics
Pregnancy and Maternity		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics
Race		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics

Religion/ belief		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics
Sex (Gender)		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics
Sexual orientation		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics
Socio-economic status		✓	✓		Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics

DRAFT

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

The proposed mitigation is a greater focus on work with partners (both within the Council and externally) to improve the service's ability to engage with those communities and populations, thus offsetting the impact of the reduction in capacity.

The service will also explore how existing engagement activities and forums can be used to monitor the impact (of both the reduced capacity and the proposed activity to offset the reduced capacity), and will look at ways of supplementing this monitoring with additional activities where necessary.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Reduced capacity to engage with communities and populations, including those that are harder to hear and have members with protected characteristics	Continue to work closely with our partners to support community engagement, with a focus on communities where we have less engagement	Improved community engagement as measured via feedback to the Council via the Joint Consultative Committee and various community forums.	ongoing	Partnership support	Megan Hatton	Will be added for 2024/25

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



Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 2 Assessment
<ul style="list-style-type: none"> The assessment has identified a potential negative impact in terms of Safer Merton's ability to engage with diverse communities and populations with protected characteristics, including those the Council finds it harder to hear. The proposed mitigation is a greater focus on work with partners (both within the Council and externally) to improve the service's ability to engage with those communities and populations, thus offsetting the impact of the reduction in capacity. The service will also explore how existing engagement activities and forums can be used to monitor the impact (of both the reduced capacity

and the proposed activity to offset the reduced capacity), and will look at ways of supplementing this monitoring with additional activities where necessary.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Megan Hatton, Head of Community Safety	Signature: 	Date: 03.11.23
Improvement action plan signed off by Director/ Head of Service	Dan Jones, ED Environment, Civic Pride and Climate	Signature: 	Date: 03.11.23

DRAFT

Equality Analysis



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

What are the proposals being assessed?	Short – Term Lease of Morden Assembly Hall (MAH) to Hilton Pharmacy Ref. ECPC2425-S07
Which Department/ Division has the responsibility for this?	Environment, Civic Pride & Climate/ Public space

Stage 1: Overview

Name and job title of lead officer	David Gentles – Head of Sport and Leisure
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Offering Hilton Pharmacy a short-term lease for 2023/24 rather than reverting back to the closed property status as per ENV2023-24 04 - Rationalisation of Council asset (MAH).
2. How does this contribute to the council's corporate priorities?	This will support the Civic Pride and Sustainable Future priorities by providing best value for the Council, and supporting a local business to deliver health initiatives for a reasonable cost to a larger population than they would in their business premises.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>If the change from letting the property to a lease, there will be no impact for customers or community at present because the venue has not been used as a community / events venue since before Covid.</p> <p>Possible impact such as a reduction in free car parking for the local community depending on detail in the lease.</p> <p>If Morden Assembly Hall is used for Electoral Services, this will need to be considered within the lease arrangements to ensure availability.</p>
4. Is the responsibility shared with another department, authority or organisation? If so, who are the	<p>Public Health – COVID and Flu Jobs – Vaccinations</p> <p>Corporate Services – Elections</p> <p>Overall responsibility is with Sport and Leisure as a property venue.</p>

partners and who has overall responsibility?

Stage 2: Collecting evidence/ data

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

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

The Venue has not been used as a community venue since before the Covid-19 Pandemic. Before the pandemic, the venue was operating with a very small profit margin and following the pandemic the facility was operating at a loss. In 2023/24 a savings was offered (ENV2023-24 04) to rationalise the facility and cease operations.

The Building Support Officer (Caretaker) has been made redundant as part of last year's savings. There is no administrative resource to manage bookings and there is no booking system.

Infrastructure improvements had been identified that would have been required if the venue was to continue to operate as a community events space again, which would have been an additional cost. Next door to the facility is Morden Park Baptist Church that has halls to hire and are used by local community groups.

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Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	X			X	Best Value – expanded use by keeping facility open
Disability	X			X	Best Value – expanded use by keeping facility open
Gender Reassignment	X			X	Best Value – expanded use by keeping facility open

Marriage and Civil Partnership	X			X	Best Value – expanded use by keeping facility open
Pregnancy and Maternity	X			X	Best Value – expanded use by keeping facility open
Race	X			X	Best Value – expanded use by keeping facility open
Religion/ belief	X			X	Best Value – expanded use by keeping facility open
Sex (Gender)	X			X	Best Value – expanded use by keeping facility open
Sexual orientation	X			X	Best Value – expanded use by keeping facility open
Socio-economic status	X			X	Best Value – expanded use by keeping facility open

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

Summarise actions you plan to mitigate the negative impact(s) identified above. Detail for these actions should be included in the Improvement Action Plan (Section 9 below). Colleagues in electoral services consulted on regarding requirements for elections prior to any formal lease.

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Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and**

include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.

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

Stage 5: Improvement Action Pan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Availability of facility as an election site	Ensure adequate provision for use within lease OR seek suitable alternative site	Council secures lease provision to accommodate elections OR suitable alternative site.	Jan 2024	Possibly additional costs for obtaining alternative facility	David Gentles	Yes

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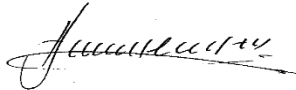

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome	Assessment
Key impacts – minimal impact if it remains its current use.	

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	David Gentles/ Head of Sport & Leisure	Signature: 	Date: 25/10/2023
Improvement action plan signed off by Director/ Head of Service	John Bosley/ Assistant Director Space Contract and Commissioning	Signature: 	Date: 25/10/2023

DRAFT

MEDIUM TERM FINANCIAL STRATEGY 2024-28

Priority Savings Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Children, Lifelong Learning and Families</u> Education and Early Help - Pre-schools	60	0	0	0	60
Total Savings 2024-28	60	0	0	0	60
Cumulative Total	60	60	60	60	

PROPOSED SAVINGS 2024-28

DEPARTMENT: Children, Lifelong Learning and Families

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CLLF20242 5 S01	<p>Service/Section Description</p> <p>Education and Early Help Pre-schools: The government funds free childcare places for eligible children aged 2, 3 and 4 years. Funding is distributed by the Early Years Dedicated Schools Block (EYDSG)</p> <p>The government set a base rate which LAs apply a local formula for. This is used to distribute funds across the local area.</p> <p>In addition to places provided by Private, Voluntary and Independent nurseries (PVI) and school nursery classes, Merton Council directly supplies approximately 100 places for families that are funded via the EYDSG.</p> <p>The Council mostly provides these early education and childcare places where the market has failed/offers limited supply. This is the case in the early education and childcare offer for families living in low-income households, eligible for part time places of 15 hours a week term time only.</p> <p>From 2024, a new funding rate has been applied for 2-year places, with an increase in budget estimated at around 25%.</p> <p>This proposal aims to secure existing levels of early years provision for vulnerable 2-year-olds whilst maximising income via the EYDSG, to secure a saving for the Council of around £60,000.</p> <p>EY DSG can only be used to fund Ofsted registered places in accordance with statutory guidance.</p> <p>Service Implication No reduction to services: savings are via an approximate anticipated 25% increase in the local hourly rate paid to providers for 2 year old places</p> <p>Staffing Implications N/A</p> <p>Strategic Priorities implications Support for vulnerable families meets the Civic Pride priority</p> <p>Impact on other departments N/A</p> <p>Equalities Implications This provision supports a high proportion of children with more significant SEND, children living in poverty, families with support needs, high levels of EAL, but no service impact as service will continue with additional government funding</p>		80	60				Low	Low	SP2
Total Savings Proposals 2024-28					60	0	0	0			

Equality Analysis



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

What are the proposals being assessed?	Increased income to reduce running costs across Merton Childcare Services (Ref. CLLF202425 S01)
Which Department/ Division has the responsibility for this?	CLLF , Education and Early Help Division

Stage 1: Overview

Name and job title of lead officer	Elizabeth Fitzpatrick Assistant Director Education and Early Help
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>The government funds free childcare places for eligible children aged 2, 3 and 4 years. Funding is distributed by the Early Years Dedicated Schools Block (EYDSG)</p> <p>The government set a base rate which LAs apply a local formula for. This is used to distribute funds across the local area.</p> <p>In addition to places provided by Private, Voluntary and Independent nurseries (PVI's), Merton Council directly supplies approximately 100 places for families that are funded via the EYDSG.</p> <p>The Council mostly provides these early education and childcare places where the market has failed/offers limited supply. This is the case in the early education and childcare offer for families living in low-income households, eligible for part time places of 15 hours a week term time only.</p> <p>From 2024, a new funding rate has been applied for 2-year places, with an increase in budget estimated at around 25%.</p> <p>This proposal aims to secure existing levels of early years provision for vulnerable 2-year-olds whilst maximising income via the EYDSG, to secure a saving for the Council of around £60,000.</p> <p>EY DSG can only be used to fund Ofsted registered places in accordance with statutory guidance.</p>
2. How does this contribute to the	The council's Community Plan 2020 - 26 has eight thematic priorities and the key priority relating to

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council's corporate priorities?

children and education is “Making Merton a place where children and young people feel they belong and thrive.”
 Supplying quality early education and childcare supports the overarching ambition above.

Building a Better Merton Together
 ‘Building a Better Merton Together’ is the council plan for 2023-26. It sets out the ambition for rebuilding pride in Merton over the next three years and explains how this will be achieved over the coming years.

In Merton, there is an ambition for people to feel proud to live, work and visit Merton – rebuilding a sense of pride from the ground up through cleaner streets, more affordable housing, improved town centres and opportunities to be involved in sport

These three strategic objectives guide the borough wide actions:

- Nurturing civic pride
- Building a sustainable future
- Creating a borough of sport

There is a plan for each strategic objective. There are identified initiatives for each objective and the role of the council and partners in delivering these. The work of all Cabinet Members feed into delivery, spanning all parts of the council and the work with partners.

Image

This proposal contributes to the Councils nurturing civic provide priority, through the delivery of services for children that support education and lifelong learning, working towards employment for families.

3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.

The effect of this proposal does not impact on families, as there are no planned changes to the service offer.

The Council will continue to deliver services in the same way that it does now, with an increased income funded by EYDSG, for the purpose the delivery of places that families can take up free of charge.

4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?

There is a large provider base what deliver across the borough the funded early education and childcare offer. They too will receive the same increase in rates, so they can deliver provision to families.

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Stage 2: Collecting evidence/ data

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

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

We do not consider there is any impact on families/service users. An increase in funding rates for vulnerable 2-year-old places, via central government for the local distribution of funding to providers, is not considered to impact negatively or positively on service users with protected characteristics.

We have looked at our local take up and number of places delivered in terms of estimating the possible additional income we can receive via the new/anticipated rates from central government

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
	Age				
Disability					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way
Gender Reassignment					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way
Marriage and Civil Partnership					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way
Pregnancy and Maternity					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way
Race					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way

Religion/ belief					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way
Sex (Gender)					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way
Sexual orientation					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way
Socio-economic status					No impact, as the funding goes to the setting and not the family. We do not anticipate an impact either way

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

As no negative impact has been found, no action is identified as needing to be taken

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

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

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

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

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

Stage 6: Reporting outcomes



10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome [1](#) Assessment

This proposal aims to secure existing levels of early years provision for vulnerable 2-year-olds whilst maximising income via the EYDSG, to secure a saving for the Council of around £60,000.

As services for families will be maintained as they are, no negative impacts have been found, and therefore no action is needed to mitigate any negative impact.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Allison Jones Head of Service Early Years, Family Wellbeing and Early Help		October 23rd 2023
Improvement action plan signed off by Director/ Head of Service	Elizabeth Fitzpatrick, Assistant Director, Education and Early Help		October 24th 2023

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MEDIUM TERM FINANCIAL STRATEGY 2024-28

Priority Savings Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Adult Social Care, Integrated Care and Public Health</u>					
Adult Social Care- Supported Living Placements	0	0	163	180	343
Adults - Reablement	40	40	40	40	160
Mental Health - S75 agreement	80	167	167	167	581
Mental Health Brokerage	118	0	0	0	118
Adult Social Care Placements- Homecare	250	0	0	0	250
Adult Social Care & Public Health (Integration of Commissioning Functions)	50	50	0	0	100
Total Savings 2024-28	538	257	370	387	1,552
Cumulative Total	538	795	1,165	1,552	

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Fees and Charges Proposals	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<u>Adult Social Care, Integrated Care and Public Health</u>					
Adult Social Care- Placements - reviewing fees and charges in line with the Care Act 2014	50	150	0	0	200
Total Fees and Charges Proposals 2024-28	50	150	0	0	200
Cumulative Total	50	200	200	200	

Panel	Ref	Description of Saving	Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
Page 154	ASCICPH 121	Service/Section	Adult Social Care- Supported Living Placements	50,636	-	-	163	180	M	L	SNS1
		Description	The Re-development of the JMC/Riverside Drive site will include the building of a purpose built day centre and also the building of 21 supported living flats for people with a learning disability. This proposal will have major benefits to residents with increased independence and keeping people out of restrictive instatutionalised care. The proposal will also enable residents to have their own tenancies and greater control over their lives. There are also cost benefits of offering Supported Living as an alternative to (moderate) LD residential care. This saving is linked to CH119 (£300k) and is an increase on the original saving to reflect the increased 'cost of living' increases to placement costs in comparison to supported living.								
		Service Implication	This proposal will increase capacity in supported living for people with a learning disability in Merton. This proposal will also support younger adults in transition from childrens services who need specialist accomodadion and help residents to stay in their local communities close to their families and friends. Opening the new units will help to divert the provision from (moderate) LD Residential to supported living for those assessed as needing supported living which is benefical for the resident but also cost effective. This proposal also assumes that 8 clients will move from residential care to supported living (35 weeks so not full year) following assessment. This will apply for for those that wish to return to Merton and no longer need residentail care following an assessment of need.								
		Staffing Implications	Will be provided by external provider via tender for support services								
		Strategic Priorities implications	Sustainable Merton - affordable housing and specialist services Civic pride- investing in vulnerable adults								
		Impact on other departments Equalities Implications	Delivery of site redevelopment dependent on Future Merton (and third party delivery) LD, figures of M/F split in transition cases coming through								

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ASCICPH 123	Service/Section	Mental Health - S75 agreement	2,092	80	167	167	167	M	L	SNS2
		Description	LBM is the only SWL borough with a section 75 agreement (Section 75 of the National Health Services Act 2006 between partners (NHS bodies and local authorities) can include arrangements for pooling resources and delegating certain NHS and local authority health-related functions to the other partner) in place with SWL STG MH Trust (South West London St Georges Mental Health Trust). All other SWL boroughs have ended their section 75 arrangements and returned their social work staff into their council structures, while still undertaking their statutory duties and working closely with the MH Trust. All SWL boroughs (and the MH Trust) report that they are happy with this arrangement and that they have more control over their Care Act Duties and report that they are better able to ensure that they meet statutory responsibilities. We would also be able to ensure that all Care Act activity undertaken by staff are recorded accurately on Mertons client data base and be able to report on our statutory duties and functions								
		Service Implication	We would have to give formal notice to end the section 75 agreement with the mental health trust following internal approval for this proposal. We would need consultation with staff. Statutory duty performance is different to internal LBM teams and the current set up is a risk to Care Quality assurance as operating practices differ across delivery of our Care Act functions and impact on performance reporting. The target implementation would be in October 2024								
		Staffing Implications	23 FTE are on LBM payroll and 15.5 on trust payroll working for LBM within the MH Trust. We would also need a restructure of the social work Locality teams within Merton to incorporate these new staff and rationalise the management structures.								
		Strategic Priorities implications	Sustainable Merton/Civic Pride								
		Impact on other departments	None								
		Equalities Implications	Full EIA needed								

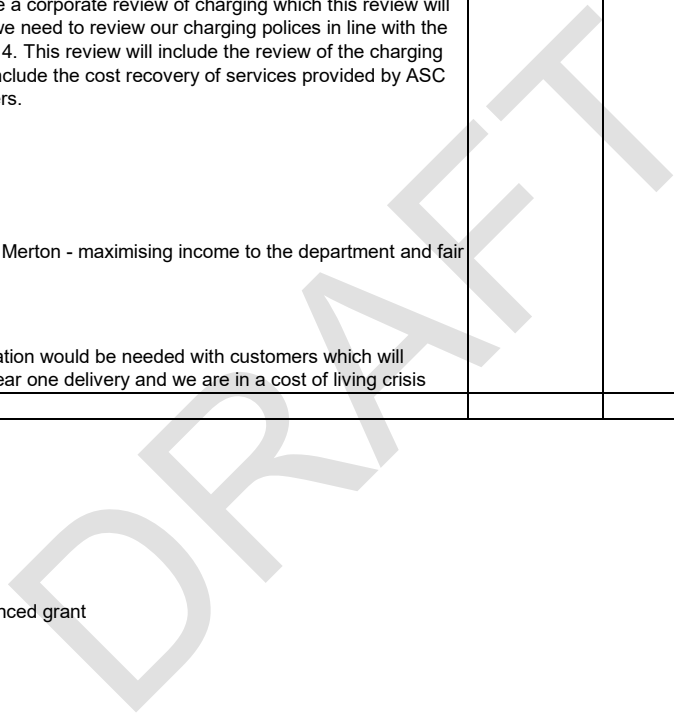
Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Page 158	ASCICPH 125	Service/Section	Adult Social Care Placements- Homecare	50,636	250	-	-	-	L	Low	SP1
		Description	The new homecare contracts will mobilise from 2nd October 2023. All 4 prime providers and 6 supplementary providers are contractually obliged to use the improved CM2000 electronic call monitoring system. This monitoring system allows for better monitoring of care providers (staff sign in and out electronically on each visit to a resident) and will improve outcomes for residents. The call monitoring system also means that the borough pays actual call cost incurred on all packages with those providers, rather than planned costs (on a 60 min visit of the carer stays for 45 mins we pay for 45 and not 60). This will lead to achieving savings against planned hours of homecare.								
		Service Implication	Improved outcomes for residents along with increased digital monitoring of home care contracts which will result in better delivery of home care.								
		Staffing Implications	None								
		Strategic Priorities implications	Sustainable Merton/Civic Pride - cost efficient services based on accurate monitoring of home care which also ensures that people get the support calls they need								
		Impact on other departments	None								
		Equalities Implications	EIA to be completed but no negative impact								
	ASCICPH 126	Service/Section	Adult Social Care & Public Health (Integration of Commissioning Functions)	2,302	50	50	-	-	L	L	SN2
		Description	Reviewing the commissioning, contract management, business intelligence, performance functions across the department and developing a single unified approach. Currently these functions are undertaken separately within ASC and PH. We will also consider the opportunities that a new SWL ICB Merton Place structure (due to be in place April 2024) has for integrated working but this proposal will focus on our internal functions in the interim.								
		Service Implication	This proposal will involve changes to the model of commissioning across ASC, IC & PH but it is intended that overall outcomes are improved and service delivery functions better supported as a result.								
		Staffing Implications	The Intention is to deliver efficiency by remodelling functions. Any in scope vacancies will be held for deletion in order to avoid possible redeployment or redundancy.								
		Strategic Priorities implications	Sustainable Merton - ensuring best value through consistent and well co-ordinated commissioning								
		Impact on other departments	There may be opportunities to align wider commissioning functions.								
		Equalities Implications	EIA to be completed								
		Total			538	257	370	387			

Panel	Ref	Description of Saving		Baseline Budget 23/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ASCICPH 127	Service/Section	Adult Social Care- Placements	(10,868)	50	150	-	-	L	L	SI1
		Description	Income Generation through reviewing our fees and charges in line with the Care Act 2014. Currently all South West London Local Authorities have charges in place for Care Act functions completed for self funders, or are currently consulting on charges for self funders. This proposal will bring Merton in line with our SWL neighbours.								
		Service Implication	There will be a corporate review of charging which this review will fit into but we need to review our charging policies in line with the care act 2014. This review will include the review of the charging policy and include the cost recovery of services provided by ASC to self funders.								
		Staffing Implications	None								
		Strategic Priorities implications	Sustainable Merton - maximising income to the department and fair cost of care								
		Impact on other departments	F&D								
		Equalities Implications	Full consultation would be needed with customers which will impact on year one delivery and we are in a cost of living crisis								
		Total			50	150	-	-			

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- SN2 Staffing: reduction in costs due to deletion/reduction in service
- SNS1 Non - Staffing: reduction in costs due to efficiency
- SNS2 Non - Staffing: reduction in costs due to deletion/reduction in service
- SP1 Procurement / Third Party arrangements - efficiency
- SP2 Procurement / Third Party arrangements - deletion/reduction in service
- SG1 Grants: Existing service funded by new grant
- SG2 Grants: Improved Efficiency of existing service currently funded by ringfenced grant
- SPROP Reduction in Property related costs
- SI1 Income - increase in current level of charges
- SI2 Income - increase arising from expansion of existing service/new service

- Panel**
- C&YP** Children & Young People
 - CC** Corporate Capacity
 - HC&OP** Healthier Communities & Older People
 - SC** Sustainable Communities



Equality Analysis



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

What are the proposals being assessed?	ASCICPH121 – Increasing supported living placement numbers
Which Department/ Division has the responsibility for this?	Adult Social Care

Stage 1: Overview	
Name and job title of lead officer	Phil Howell, Interim Assistant Director for Commissioning & Gillian Moore, Head of Integrated Learning Disability Services
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Increasing the availability and use of supported living as a positive alternative to residential care for adults with learning disabilities. This will include using supported living as a positive alternative for individuals requiring a move to accommodation based care increasing choice and independence and support. We will also look for opportunities to support individuals to move back to the borough from out of area residential placements if they would like to do this moving them to be closer to their families and neighbourhoods . Saving deliverable from 2026/27 linked to redevelopment of JMC site and the provision of 21 units of supported accommodation as part of that project. New commissioning arrangements will also be developed during 2024/25 to support the delivery of personalised 24/7 care and support as well as increased access to suitable accommodation. Successful delivery of the project will enable the Council to continue to meet its statutory duties to individuals under the Care Act 2014 in a way that is more personalised and flexible than traditional residential care models offer while improving outcomes for residents.
2. How does this contribute to the council's corporate priorities?	The proposed redevelopment of the Jan Malinowski Centre site supports the delivery of affordable housing within the Building a Sustainable Future priority. Enabling individuals to live more locally to family and community is consistent with the Nurturing Civic Pride priority.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Individuals with a learning disability to whom the Council owes statutory duties under the Care Act 2014. This will include individuals who require accommodation based care and support for the first time (young people leaving full time education and adults living in a family home) as well as individuals currently living in residential care settings. All individuals will have had a Care Act Assessment and Care and Support Planning completed prior to any move.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the	Building proposals being taken forward in conjunction with Housing & Sustainable Development.

partners and who has overall responsibility?

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Stage 2: Collecting evidence/ data**5. What evidence have you considered as part of this assessment?**

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

National evidence on the effectiveness of Supported Living provides a strong evidence base for improving outcomes and independence. The individualised nature of care and support needs means that impact on individuals will be considered as a key factor through the Care Act Assessment and Care and Support Planning processes.

Early feasibility and financial viability studies have been undertaken on the site proposals and confirm that the development remains viable and deliverable.

Stage 3: Assessing impact and analysis

Page 10
From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		N		N	
Disability	Y			N	Supported Living schemes as an alternative to residential care provide for increased choice and control as well as increased independence for adults with learning disabilities. Increasing access to supported living as a positive option therefore increases quality of life for this cohort.
Gender Reassignment		N		N	
Marriage and Civil Partnership		N		N	
Pregnancy and Maternity		N		N	
Race		N		N	
Religion/ belief		N		N	
Sex (Gender)		N		N	
Sexual orientation		N		N	
Socio-economic status		N		N	

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

No negative impacts identified

Stage 4: Conclusion of the Equality Analysis

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

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

- Y** **Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan**9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact**

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

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


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

Stage 6: Reporting outcomes**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [1](#) Assessment

The project provides an opportunity to increase choice and provide more personalised outcomes for individuals with learning disabilities. No negative impacts on protected characteristics are identified.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Phil Howell, Interim Assistant Director Commissioning	Signature: Phil Howell	Date: 24/10/23
Improvement action plan signed off by Director/ Head of Service	John Morgan, Executive director of Adult Social Care, Integrated Care and Public Health	Signature: 	Date: 01/11/2023

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Equality Analysis

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

What are the proposals being assessed?	ASCICPH 122 - Adult Social Care- Reablement
Which Department/ Division has the responsibility for this?	Adult Social Care, Integrated Care & Public Health

Stage 1: Overview	
Name and job title of lead officer	Phil Howell, Assistant Director of Commissioning/ Graham Terry Assistant Director, ASC operations.
1. What are the aims, objectives, and desired outcomes of your proposal? (Also explain proposals e.g., reduction/removal of service, deletion of posts, changing criteria etc)	<p>Adult Social Care have a very strong, well respected and successful existing reablement service which focuses on hospital discharges (70 % of people regain their independence and need no care following a period of reablement). This service mainly focusses on hospital discharge, so the service misses the chance to reable community clients accessing services through our ASC First Response Team which is the 'front door for ASC'.</p> <p>The proposal is that we have a similar reablement service working with people entering the service from the community (approx. 30 per month).</p> <p>It is important to note the success rate for community reablement will be different for those in the community than for hospital discharge pathways as people are generally deconditioned following a stay in hospital.</p>
2. How does this contribute to the council's corporate priorities?	This proposal supports a sustainable future for ASC and Merton by increasing the availability of the reablement to vulnerable adults to maintain their presence and contribution to their local community.
3. Who will be affected by this proposal? For example, who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>Service Implication This proposal supports the prevention/early intervention model. Increasing independence for residents and reducing dependence and the need for care packages on a long-term basis.</p> <p>It will also help to keep people in their own homes and out of hospital and 24 hr care.</p> <p>Staffing Implications - Some additional reablement capacity will be required in the service. It is likely to be a different model of delivery to the current hospital pathway model, with some internal staffing but the 'reablement in the home' element could be provided through an external provider.</p> <p>This will have a positive impact on people as it will help people to maintain their independence.</p>
4. Is the responsibility shared with another department, authority, or	The existing reablement service is an in-house service operated by Adult Social Care drawing on Better Care Fund monies in recognition of its significant contribution to effective hospital discharges. The proposed

organisation? If so, who are the partners and who has overall responsibility?

service could be a mix of in-house individual assessment and review function to direct a commissioned service that would support people to maintain their independence at home and help to reduce admissions to hospital and the need for long term packages of care from home care providers.

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Stage 2: Collecting evidence/ data

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

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

The proposal will have a beneficial impact on the protected characteristics (equality groups) through the increased availability of a reablement service to promote peoples independence in their own home and community.

Stage 3: Assessing impact and analysis

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

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Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
	Age	✓			
Disability	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.
Gender Reassignment	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.
Marriage and Civil Partnership	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.

Pregnancy and Maternity	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.
Race	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.
Religion/ belief	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.
Sex (Gender)	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.
Sexual orientation	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.
Socio-economic status	✓			✓	Increased availability of a reablement service to promote independence and maintain people in their own home and community. The service is personalised and responds to the characteristics of each individual recipient of the service.

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

None. A project governance and plan to manage the expansion will be established to oversee this work and manage any risks arising.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

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

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

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

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

Stage 1
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Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

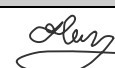
This Equality Analysis has resulted in an Outcome 1 Assessment

Stage 7: Sign off by Director/ Head of Service


Assessment completed by

Graham Terry

Signature:



Date: 19/10/2023

Stage 7: Sign off by Director/ Head of Service			
Improvement action plan signed off by Director/ Head of Service	John Morgan	Signature: 	Date: 01/11/2023

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Equality Analysis

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

What are the proposals being assessed?	ASCICPH 123 - Adult Social Care- Mental Health S75 agreement
Which Department/ Division has the responsibility for this?	Adult Social Care, Integrated Care & Public Health

Stage 1: Overview

Name and job title of lead officer	Graham Terry, Assistant Director of Commissioning
1. What are the aims, objectives, and desired outcomes of your proposal? (Also explain proposals e.g., reduction/removal of service, deletion of posts, changing criteria etc)	<p>LBM is the only SWL borough with a section 75 agreement (Section 75 of the National Health Services Act 2006 between partners (NHS bodies and local authorities) can include arrangements for pooling resources and delegating certain NHS and local authority health-related functions to the other partner) in place with SWL STG MH Trust (South West London St Georges Mental Health Trust).</p> <p>All other SWL boroughs have ended their section 75 arrangements and returned their social work staff into their council structures, while still undertaking their statutory duties and working closely with the MH Trust. All SWL boroughs (and the MH Trust) report that they are happy with this arrangement and that they have more control over their Care Act Duties and are better able to ensure that they meet statutory responsibilities.</p> <p>We would also be able to ensure that all Care Act activity undertaken by staff is recorded accurately on Merton's client database and be able to report on our statutory duties and functions.</p> <p>We would have to give formal notice to end the section 75 agreement with the mental health trust following internal approval for this proposal.</p>
2. How does this contribute to the council's corporate priorities?	This proposal supports a sustainable future for ASC and Merton by ensuring that the council can meet its statutory functions in respect of people with mental health needs and better able to report on and monitor delivery of these with direct accountability for them.
3. Who will be affected by this proposal? For example, who are the external/internal customers,	We would need to consult with staff and stakeholders. Statutory duty performance is different to internal LBM teams and the current set up is a risk to Care Quality assurance as operating practices differ across delivery of our Care Act functions and impact on performance reporting. The target implementation would be in October 2024.

<p>communities, partners, stakeholders, the workforce etc.</p>	<p>Staffing Implications - 23 FTE staff are on the LBM payroll and 15.5 on trust payroll working for LBM within the MH Trust. We may need to restructure our social work teams within Merton to accommodate all our staff and functions.</p> <p>The improved fulfillment of our statutory care act duties arising from this proposal will benefit residents.</p>
<p>4. Is the responsibility shared with another department, authority, or organisation? If so, who are the partners and who has overall responsibility?</p>	<p>This proposal would end the current Section 75 agreement with the SWL STG MH Trust who provide this on our behalf and return the provision of social care for people with mental health needs into Adult Social Care within the council.</p> <p>A discussion with the MH trust has taken place and they have indicated that they support the proposal and feel that it can have a positive impact on our residents when implemented in partnership with the council.</p>

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Stage 2: Collecting evidence/ data

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

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

The proposal can have a beneficial impact on the protected characteristics (equality groups) by better meeting our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance. The other savings proposal to return the brokerage of mental health social care services could be implemented sooner than this expected October 2024 date for the end of the S75 agreement and hence why they are separate proposals.

The implementation of the proposal would seek to ensure that joint working with individual service users would continue with the MH trust similarly to the other SWL boroughs.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Disability	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Gender Reassignment	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our

APPENDIX 3(f)

					statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Marriage and Civil Partnership	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Pregnancy and Maternity	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Race	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Religion/ belief	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Sex (Gender)	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Sexual orientation	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.
Socio-economic status	✓		✓		We will learn from the other 5 SW LB's who have ended their S75 agreement with the trust to avoid a loss of joined up health and social care working experienced by service users. The proposal can better meet our statutory responsibilities toward them, ensuring direct control of our mental health social work services, monitoring, and reporting of our performance.

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

Consultation with services users, staff and stakeholders would be undertaken to identify any concerns to address at the outset and continue their engagement during its implementation if the proposal is approved. A key objective would be to ensure that effective integrated working is established in a new partnership with the MH trust.

A project governance and plan to manage the proposal if approved would be established to oversee this work and manage any risks arising. A dedicated staffing resources to facilitate the implementation and meet its key objectives would be required.

Stage 4: Conclusion of the Equality Analysis

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

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

- page 177
- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g., performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
<p>Page 178</p> <p>Consultation with services users, staff and stakeholders would be undertaken to identify any concerns to address at the outset and continue their engagement during its implementation if the proposal is approved. A key objective would be to ensure that effective integrated working is established in a new partnership with the MH trust.</p>	<p>Project governance and a plan to manage the consultation and engagement, any implementation and detailed objectives will be established to oversee this work and manage any risks arising.</p> <p>The proposal would be implemented in conjunction with the MH trust and draw on the learning from the 5 SW LB and their successful models of service.</p>	<p>The project will be part of the ASC Toward Outstanding Programme (TOP) and monitored via TOP.</p> <p>A full project plan will be devised with clear actions and milestones to enable the monitoring of progress. The project will involve MH trust colleagues, staff, service users, carers, and stakeholders.</p>	1 st April 2023	A project resourcing plan will identify the staffing required to deliver it.	Graham Terry	Yes, following approval.

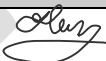

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome 2 Assessment

Stage 7: Sign off by Director/ Head of Service

Assessment completed by	Graham Terry	Signature: 	Date: 19th October 2023
Improvement action plan signed off by Director/ Head of Service	John Morgan	Signature: 	Date: 01/11/2023



Equality Analysis

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

What are the proposals being assessed?	ASCICPH 124 - Adult Social Care- Mental Health Brokerage
Which Department/ Division has the responsibility for this?	Adult Social Care, Integrated Care & Public Health

Stage 1: Overview	
Name and job title of lead officer	Phil Howell, Assistant Director of Commissioning
1. What are the aims, objectives, and desired outcomes of your proposal? (Also explain proposals e.g., reduction/removal of service, deletion of posts, changing criteria etc)	<p>Currently SWL STG MH Trust source and broker (buy) care packages and residential/nursing placements for Merton Residents (open to their teams) who need a care package on behalf of Merton. The proposal is that we return the brokerage function for Mental Health social care placements to the borough's adult brokerage team.</p> <p>This will facilitate better market management and effective social care placements. This proposal will ensure that the negotiation of services with providers is in line with other brokerage pathways within ASC and that ASC commitments are accurately recorded in Mosaic (client database).</p> <p>It also enables better strategic commissioning and market shaping for Mental Health services.</p>
2. How does this contribute to the council's corporate priorities?	This proposal supports a sustainable future for ASC and Merton through better commissioning and the choice of accommodation and support available in Merton. This could enable people with MH to maintain their presence and contribution to their local community.
3. Who will be affected by this proposal? For example, who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>Brokerage will experience an increase in the number of packages, but this will likely be minimal (3 -4 per week). There will be more market development needed with Mental Health providers. All agreed support plans will be brokered using the Mosaic system, enabling accurate reporting of MH placement commitments throughout the year.</p> <p>Staffing Implications - There are currently no staff in the MH service with the title 'Broker', there are 3 administrative workers that have the recording responsibility. The existing Brokerage service will absorb the responsibilities within the existing structure and there may be a need to invest further in Mental Health commissioning in order to develop the market of local providers.</p>

4. Is the responsibility shared with another department, authority, or organisation? If so, who are the partners and who has overall responsibility?

This proposal would remove the brokerage function from the current Section 75 agreement with the SWL STG MH Trust who provide this on our behalf and return it to the Adult Social Care Commissioning and Brokerage service.

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Stage 2: Collecting evidence/ data

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

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

The proposal will have a beneficial impact on the protected characteristics (equality groups) through the improved commissioning and brokering of mental health placements and services.

Stage 3: Assessing impact and analysis

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

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Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.
Disability	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.
Gender Reassignment	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.
Marriage and Civil Partnership	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.
Pregnancy and Maternity	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.
Race	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.

Religion/ belief	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.
Sex (Gender)	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.
Sexual orientation	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.
Socio-economic status	✓			✓	Better market management and effective brokering of Mental Health placements will increase the availability of appropriate, personalised, matching the individuals' characteristics, cost-effective service provision within Merton.

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

None. A project approach and governance arrangements will oversee this work and manage any risks arising.

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

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

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

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

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

Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 1 Assessment

Stage 7: Sign off by Director/ Head of Service


Assessment completed by

Graham Terry

Signature:



Date: 19/10/2023

Stage 7: Sign off by Director/ Head of Service			
Improvement action plan signed off by Director/ Head of Service	John Morgan	Signature: 	Date: 01/11/2023

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Equality Analysis



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

What are the proposals being assessed?	ASCICPH 125 Increasing the volume of Homecare hours paid on actuals through increased and optimise use of electronic call monitoring.
Which Department/ Division has the responsibility for this?	Adult Social Care

Stage 1: Overview	
Name and job title of lead officer	Phil Howell, Interim Assistant Director of Commissioning
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The inception, in October 2023, of new Homecare contracts for four Prime Providers and six Supplementary Providers, made it a requirement of the providers to log care visits using Electronic Call Monitoring (ECM) software. Previously this was only a requirement of 3 Prime Providers, although some other providers used the software voluntarily. The increased volume of visits logged in this way protects the authority financially in that all calls are paid on actual hours delivered, reconciled against the ECM rather than paying for some care on the basis of what is documented in care and support plans. There are wider benefits to effective use of ECM but the primary role is to ensure care is delivered as per a plan, and where it is not that the authority is able to respond and maintain adequate support for individuals as well as financially protect itself using an accurate record basis for the delivery of care by third party providers.
2. How does this contribute to the council's corporate priorities?	Under the priority of making Merton a sustainable borough, ECM offers financial sustainability benefits by ensuring the authority is appropriately charged for care delivered.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	All homecare customers of the prime and supplementary providers will have their care visits logged using ECM, however there is no direct impact on them for the purposes of this EIA. External provider organisations are required under the Homecare contract to use ECM software and they have agreed to this by entering into the contract with Merton.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	No

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Stage 2: Collecting evidence/ data**5. What evidence have you considered as part of this assessment?**

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

ECM has been in place, effectively, for a number of years for Homecare in Merton. The extent of it's use has increased recently with the recommissioning of contracts for services. All 10 providers under lot 1, 2 & 3 of the Homecare framework are required to use ECM.

ECM is widely used in homecare nationally and as well as financial protection. Offers local authorities an additional way of assuring themselves care is being delivered to vulnerable adults in their own homes. This will have a positive impact on all residents in receipt of Homecare.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		N		N	
Disability		N		N	
Gender Reassignment		N		N	
Marriage and Civil Partnership		N		N	
Pregnancy and Maternity		N		N	
Race		N		N	
Religion/ belief		N		N	
Sex (Gender)		N		N	
Sexual orientation		N		N	
Socio-economic status		N		N	

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

Summarise actions you plan to mitigate the negative impact(s) identified above. Detail for these actions should be included in the Improvement Action Plan (Section 9 below).

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan**9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact**

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

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

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


Stage 6: Reporting outcomes**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [1](#) Assessment

- There are very limited impacts from this proposal as it is simply increasing the volume of homecare hours monitored and recorded in this way. This provides additional financial benefit to the authority.

There are no impacts on protected characteristics

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Phil Howell, Interim Assistant Director of Commissioning	Signature: Phil Howell	Date: 24/10/23
Improvement action plan signed off by Director/ Head of Service	John Morgan / Executive Director of Adult Social Care , Integrated Care and Public Health	Signature: 	Date: 01/11/2023

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Equality Analysis



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

What are the proposals being assessed?	ASCICPH 126 – Integration of commissioning functions
Which Department/ Division has the responsibility for this?	Adult Social Care & Public Health

Stage 1: Overview	
Name and job title of lead officer	Phil Howell, Interim Assistant Director of Commissioning
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The proposal is for a reorganisation of staff resources across the ASC and Public Health Commissioning functions, following the formation of the new department. It is intended to create a single commissioning function across the two service areas, increasing the capacity available to the department for commissioning, procuring and contract managing the markets and contracts that we have both a statutory and discretionary responsibility for. Commissioning in ASC also incorporates performance and business intelligence and client facing services such as Direct Payments, Financial Assessments and Brokerage. It is intended the savings will be a result of reorganising and reducing the number of posts but, given both areas currently carry some vacancy and some posts covered by temporary staff, it is not envisaged the savings will be through compulsory redundancies.
2. How does this contribute to the council's corporate priorities?	Supports the priority of a sustainable borough. Effective and efficient commissioning and contract management is important to secure best value for the council and commissioning services that are financially sustainable into the future.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	The proposals will affect staff currently working in the commissioning/contracting functions in Adult Social Care and Public Health.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The responsibility is solely with the Adult Social Care, Integrated Care and Public Health department. There will be engagement with partner organisations within the Borough Committee to discuss the proposals and impacts on, for example, integrated commissioning plans for community services and the voluntary sector and our joint work on quality assurance of care and support providers.

Stage 2: Collecting evidence/ data**5. What evidence have you considered as part of this assessment?**

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

HR data associated with the impacted teams will be used to determine any impact on protected characteristics.

Stage 3: Assessing impact and analysis**6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?**

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		N		N	
Disability		N		N	
Gender Reassignment		N		N	
Marriage and Civil Partnership		N		N	
Pregnancy and Maternity		N		N	
Race		N		N	
Religion/ belief		N		N	
Sex (Gender)		N		N	
Sexual orientation		N		N	
Socio-economic status		N		N	

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

n/a

Stage 4: Conclusion of the Equality Analysis

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

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

- Y** **Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan**9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact**

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

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

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

Stage 6: Reporting outcomes**10. Summary of the equality analysis**

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

This Equality Analysis has resulted in an Outcome [1](#) Assessment

- There are no negative impacts identified on protected characteristics. This analysis will be updated as potential new structures are drawn up and individual staff are consulted on the proposals. Any mitigations will be determined during the engagement & consultation with staff.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Phil Howell, Interim Assistant Director of Commissioning	Signature: Phil Howell	Date: 24/10/23
Improvement action plan signed off by Director/ Head of Service	John Morgan Executive Director of Adult Social Care, Integrated Care and Public Health	Signature: 	Date: 01/11/2023

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Equality Analysis



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

What are the proposals being assessed?	ASCICPH 127 – Review of ASC fees and charges
Which Department/ Division has the responsibility for this?	Adult Social Care

Stage 1: Overview	
Name and job title of lead officer	Phil Howell, Interim Assistant Director of Commissioning
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	A review of the fees and charges made to self funding clients of Adult Social Care is proposed, so that a model of full cost recovery is applied for services provided to these clients. This review would bring the fees and charges for self funding clients in line with other SWL local authorities and remain within the statutory guidance of the Care Act 2014.
2. How does this contribute to the council's corporate priorities?	Contributing to a Sustainable Borough, this would enable the department to recover the full and true cost of providing services and support to individuals where legislation and statutory guidance allows.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	There are currently around 100 self funding clients across the borough, on behalf of whom, the council arranges and administrated their care and support.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Although the charges are applied by Adult Social Care, the billing and collection of these charges sits with the Revenues and Benefits service.

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Stage 2: Collecting evidence/ data**5. What evidence have you considered as part of this assessment?**

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

Benchmarking the fees and charges in place in other SWL Boroughs (all of whom charge or are consulting to do so) provides a good comparator for the fees and charges currently in place. This includes cost recovery for the administrative time spent arranging and monitoring the care and support of self-funders, as well as the full cost recovery for the provision of care and support.

All of the individuals impacted will have been subject to a Financial Assessment which determines that they have sufficient capital and income to be able to pay the fees and charges as a self-funding individual.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		N	Y		As the majority of self-funding clients are older people (over 55), the impact is likely to fall within this protected characteristic
Disability		N	Y		Some self-funding clients will identify as having a disability. The proposal therefore is likely to have some impact on this protected characteristic
Gender Reassignment		N		N	
Marriage and Civil Partnership		N		N	
Pregnancy and Maternity		N		N	
Race		N		N	
Religion/ belief		N		N	
Sex (Gender)		N		N	
Sexual orientation		N		N	
Socio-economic status					

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

The review of fees and charges will be subject to an appropriate level of consultation with those impacted. Charges will be fair and reasonably set and in accordance with statutory guidance which states charges can recover costs but not make profit. Individuals may decide to arrange their own care and support in order to avoid fees and charges and all changes to fees and charges will be clearly communicated prior to implementation

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan**9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact**

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Increased financial charges to self funders, many of who will be older people, some may also have disabilities	Fees and charges will be set at an appropriate level so to cover the cost of delivery and not more. Care fees will reflect the fees paid by the authority to the provider.	Using benchmarking against other SWL fees and charges for self-funders. We will monitor the impact on the overall number of self-funding clients we are supporting	April 2025	existing	Phil Howell	yes

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

Stage 6: Reporting outcomes**10. Summary of the equality analysis**


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

This Equality Analysis has resulted in an Outcome [2](#) Assessment

- The local authority, under the Care Act 2014 is statutorily able to recover the cost of administering the care and support of those individuals who fund their own care. All other SWL boroughs take this approach. Any updated fees and charges will be subject to consultation and clearly communicated to those affected prior to implementation.

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Stage 7: Sign off by Director/ Head of Service

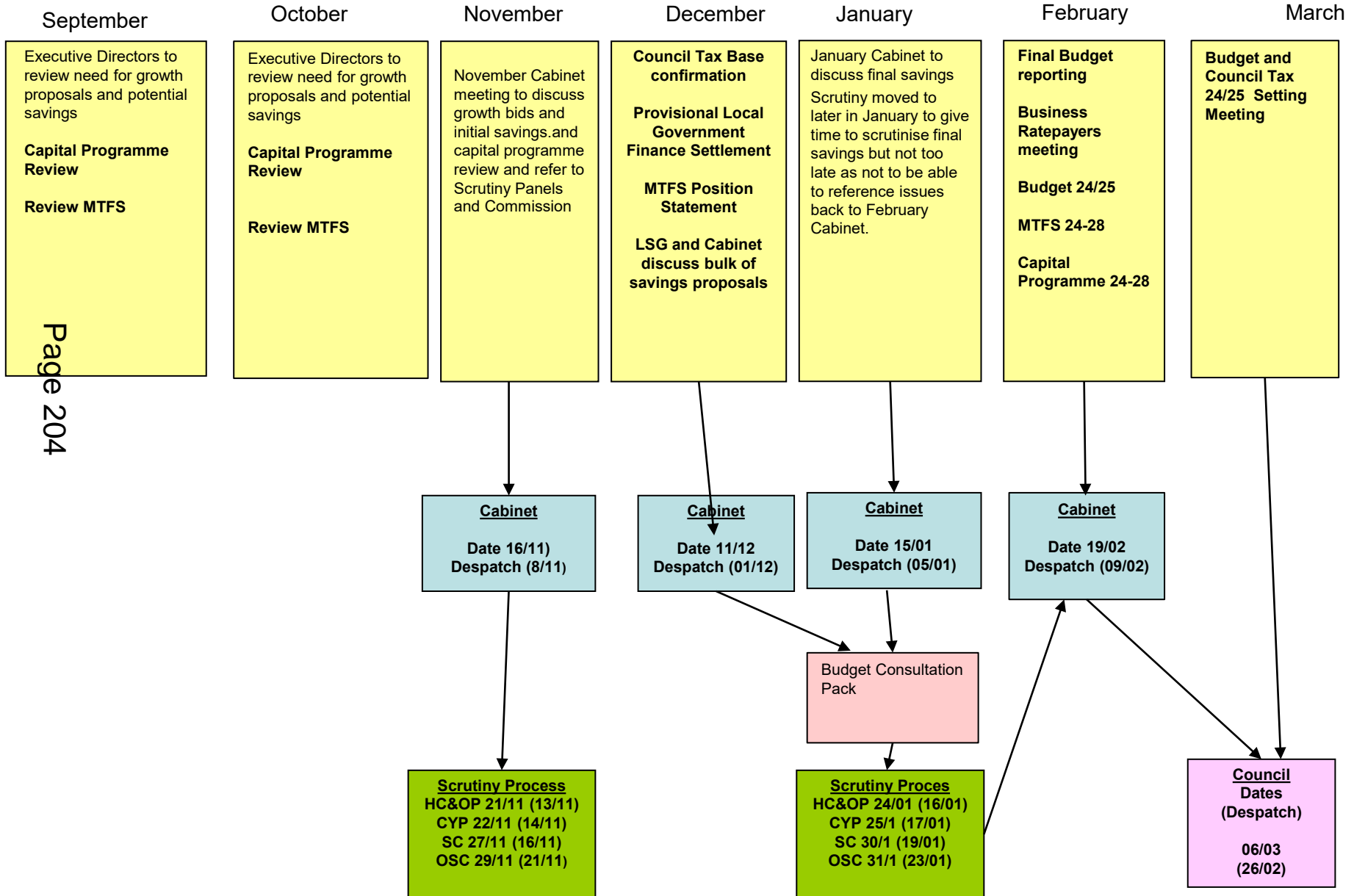
Assessment completed by	Phil Howell Interim Assistant Director for Commissioning	Signature: Phil Howell	Date: 01/11/2023
Improvement action plan signed off by Director/ Head of Service	John Morgan Executive Director of Adult Social Care, Integrated Care and Public Health	Signature: 	Date: 01/11/2023

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MTFS GAP 2024-28

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
MTFS Gap 2023-27 (Council 1 March 2023)	0	2,296	3,836	13,534
Updates since March Council:-				
Ongoing impact of 23/24 Pay Award (4% pay award rather than 3% budgeted)	992	992	992	992
Pay inflation provision increased from 2% to 3% in 2024/25	992	992	992	992
Price inflation provision increased from 2% to 3% in 2024/25	1,521	1,521	1,521	1,521
Collection Fund: Council Tax Surplus/Deficit	(278)	0	0	0
Collection Fund: Business Rates Surplus/Deficit	(1,667)	0	0	0
Revised MTFS Gap 2024-28 Cabinet June 2023	1,560	5,801	7,341	17,039
Change in Freedom Pass costs	(197)	(496)	(1,361)	(2,369)
Pay and Price inflation - update following restructure	78	150	222	294
Additional impact of 23/24 Pay Award (HR estimate inc. oncost)	3,376	3,175	3,309	3,602
Change in capital financing costs - Debt Redemption	(2,754)	(2,257)	(2,257)	(2,257)
Change in capital financing costs - Review of Capital Programme	(520)	(15)	(1,114)	(5,038)
Change in investment interest income - CHAS	(250)	(250)	(250)	(250)
Change in investment interest income - General	(750)	(750)	(750)	(750)
Estimated additional yield from Council Tax Base 2024/25	(500)	(500)	(500)	(500)
Revised MTFS Gap 2024-28 November before Savings and Growth	43	4,858	4,640	9,771
Growth Bids less Funded from Reserves	2,036	4,357	4,400	4,438
Revised MTFS Gap 2024-28 November inc. Growth Bids	2,079	9,215	9,040	14,209
Priority Savings	(1,701)	(2,513)	(2,823)	(3,210)
Fees and Charges - Additional Income	(458)	(585)	(585)	(585)
Revised MTFS Gap 2024-28 Cabinet 16 November inc. Priority Growth Bids and Savings	(80)	6,117	5,632	10,414

FINANCIAL PLANNING TIMETABLE – SEPTEMBER 2023 TO MARCH 2024 APPENDIX 5



Cabinet 16 November 2023

Subject: Financial Report 2023/24 – Quarter 2, September 2023

Lead officer: Asad Mushtaq

Lead member: Councillor Billy Christie

Recommendations:

- A. That Cabinet note the financial reporting data for period 6, September 2023, relating to revenue budgetary control, showing a forecast net adverse variance at 30th September on service expenditure of £8.011m when corporate and funding items are included.
- B. That Cabinet note the contents of Section 5 and approve the adjustments to the Capital Programme in the 4 Tables below:

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Finance & Digital					
Customer Contact - Replace TKDialogue	161,000	174,000	0	0	Virement to cover expected outturn on scheme
Customer Contact - Digital Strategy	0	500,000	0	0	Funding for Digital Strategy
Business Systems - Revenue and Benefits	0	(335,000)	0	0	Virement from scheme to fund TKDialogue
Business Systems - Parking System	0	(35,000)	0	0	For E,CP&C revenue staff to progress the scheme
Financial System	125,000	0	0	(125,000)	To Pay for Licences for the whole extension period
Finance & Digital	286,000	304,000	0	(125,000)	

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Children, Lifelong Learning & Families					
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(30,000)	30,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(20,000)	20,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 3	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Total Children, Lifelong Learning & Families	(80,000)	80,000	0	0	

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Environment, Civic Pride & Climate					
Parks - New water play feature Wimb Pk	87,430	(183,000)	0	0	Existing water feature has been repaired with parts that can be used in the new water feature allowing budget to be relinquished - new water feature will be installed as part of a larger scheme incorporating the play area
On Street Parking - P&D - Pay and Display Machines	(100,000)	0	0	0	Project nearing completion, officers are confident £100k of budgetary provision can be relinquished
Off Street Parking - P&D - Car Park Upgrades	(265,440)	0	0	0	Work on St Georges Car Park held until freeholder commits to undertaking large scale structural repairs budget relinquished
Parks - Park Security Meas & Trav Prev	20,000	(20,000)	0	0	Budget re-profiled in line with projected spend
Alley Gating Scheme	(24,000)	0	0	0	Budget being relinquished as not required to complete identified schemes
Highways & Footways - Casualty Reduction & Schools	8,000	0	0	0	Additional TFL Funding
Highways & Footways - ANPR Cameras School Streets	(211,620)	0	0	0	Reduced TFL Funding and £200k relinquished
Highways & Footways - Haydons Rd Access for All	(100,000)	100,000	0	0	Budget re-profiled in line with projected spend
Highways & Footways - Milner Rd Improvements	(52,330)	0	0	0	Forecast outturn on the scheme has been reduced budget has been relinquished
Cycle Route Improvements - Active Travel Road Safety	48,000	0	0	0	Additional TFL Funding to complete agreed programme
Cycle Route Improvements - Haydons Rd Bridge Cycle Lane	(115,000)	0	0	0	SCIL Funding reducing TFL funding within Active Travel Road Safety is increasing
Sports Facilities - Sporting Big Screens	(60,000)	60,000	0	0	Concerns regarding the purchase, ownership, security and revenue implications of the Council owning such equipment have delayed progression
Parks - Parks Investment	45,600	0	0	0	£15k Contribution from Hercules Athletics & £16.8k contribution from a Friends Group and application of GLA Grant moved
Parks - New Green Flag Improvements	8,000	(20,000)	0	0	Virement to General Parks code of GLA Grant and Re-profiled In Line with projected spend
Parks - Merton Saints BMX Club	37,400	0	0	0	Additional Civic Pride (NCIL) Funding
Parks - Bridges and Structures	7,000	(7,000)	0	0	Budget re-profiled in line with projected spend
Parks - Cannizaro Park Safety	82,500	0	0	0	Virement to correct Cost Centre
Major Library Projects - Library Self Service	0	350,000	(350,000)	0	Budget re-profiled in line with projected spend
Total Environment, Civic Pride & Climate	(584,460)	280,000	(350,000)	0	

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Housing & Sustainable Development					
Projects - Affordable Housing - Afgan Resettlement/Homelessness Pressures	2,480,000	0	0	0	DLUHC Grant to fully fund this scheme which is expected to be delivered by a Housing Association
Wimbledon Area Regeneration - Cannizaro Park Safety	(82,500)	0	0	0	Virement to correct Cost Centre
Morden Area Regeneration - Crown Creative Knowledge Exch	40,000	0	0	0	Virement to fund projected outturn
Borough Regeneration - Shop Front Improvement	0	(40,000)	0	0	Virement to fund projected outturn
Borough Regeneration - Civic Pride Public Realm	20,000	(20,000)	0	0	External Architectural Lighting for Vestry Hall Lighting
Disabled Facilities Grant	0	0	0	517,140	Funded by ringfenced Grant
Total Housing & Sustainable Development	2,457,500	(60,000)	0	517,140	
Overall Total	2,079,040	604,000	(350,000)	392,140	

C. That Cabinet note the adjustments to the Capital Programme in the Table below:

Cost Centre Narrative	Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Children, Lifelong Learning & Families					
Hollymount - Capital Maintenance	(24,000)	0	0	0	Required adjustments to the approved programme for the capital maintenance of schools - these schemes are all funded by government grant and are treated as one budget within the capital programme.
Hatfeild - Capital Maintenance	1,000	0	0	0	
Joseph Hood - Capital Maintenance	23,820	0	0	0	
Dundonald - Capital Maintenance	15,000	0	0	0	
Wimbledon Chase - Capital Maintenance	7,000	0	0	0	
Wimbledon Park - Capital Maintenance	5,000	0	0	0	
Malmesbury - Capital Maintenance	0	156,150	0	0	
Bond - Capital Maintenance	(26,000)	106,000	0	0	
Gorringe Park - Capital Maintenance	(30,000)	0	0	0	
Haslemere - Capital Maintenance	30,000	0	0	0	
Unallocated - Capital Maintenance	(344,970)	0	0	0	
Rutlish - Capital Maintenance	40,000	0	0	0	
Perseid Upper - Capital Maintenance	(24,000)	0	0	0	
Melrose - Capital Maintenance	(50,000)	0	0	0	
Melbury College - SMART - Capital Maintenance	(10,000)	125,000	0	0	
Total	(387,150)	387,150	0	0	

D. That Cabinet approve the draw down of £200k funding from the Voluntary Sector Support Reserve to be split across Adult Social Care (£27,774) and Innovation and Change (£172,226) to fund the 2023/24 'Civic Pride: Supporting the Voluntary and Community Sector' additional allocation as agreed by Cabinet in September 2022.

E. That Cabinet approve the replacement saving of £180k reference CH112 which becomes CH112R for Adult Social Care, Integrated Care and Public Health. Detailed in appendix 6a and 6b to this report.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the Period 6 (Quarter 2), September 2023 monitoring report presented in line with the financial reporting timetable.

This financial monitoring report provides -

- 1.1.1 A full year forecast projection as at period 6.
- 1.1.2 An update on the capital programme and detailed monitoring information;
- 1.1.3 An update on Corporate Items in the budget 2023/24;

2. THE FINANCIAL REPORTING PROCESS

2.1 The Council's services are still under pressure due to the need to support businesses and residents, particularly vulnerable groups in need of social care and there has been a major reduction in the Council's income which is expected to continue for some time.

2.2 The Council is also facing significant inflationary pressures in the supply of goods and services to the Council, energy costs, cost of borrowing and potential wage increases against budget add to the Council's financial challenges in 2023/24 and future years. Whereas higher interest rates will have a positive impact on our investment returns these will be overshadowed by the inflationary pressures the Council faces together with the potential for increased demands for some of the Council's services due to the cost of living crisis.

2.3 There are also significant pressures on the Dedicated Schools Grant (DSG) which are being

monitored. The cumulative deficit at the end of 2022/23 was £34.466m and the deficit is forecast to continue to increase to £42.285m by the end of 2023/24 after the third tranche of Safety Valve funding. The Safety Valve programme is starting to have a positive impact, but progress is currently behind the agreed target.

2.4 Chief Officers, together with budget managers with support from Service Financial Advisers are responsible for keeping budgets under scrutiny and ensuring that expenditure within areas which are above budget is being actively and vigorously controlled and where budgets have favourable variances, these are retained until year end. Any final overall adverse variance on the General Fund will result in a call on balances.

3. 2023/24 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive Summary – At period 6 (to 30th September 2023), the year-end forecast is a net adverse variance of £10.376m on Net Service Expenditure and a favourable variance of £2.365m on Corporate Provisions. Net Forecast Variance at Period 6 is an adverse variance of £8.011m. A summary is provided below and a more detailed analysis by Directorate is set out in Section 4 of this report.

Summary Position as at 30th September 2023

	Current Budget 2023/24 £000s	Year to Date Budget (Sept) £000s	Year to Date Actual (Sept) £000s	Full Year Forecast (Sept) £000s	Forecast Variance at year end (Sept) £000s	Forecast Variance at year end (June) £000s	Outturn Variance 2022/23 £000s
Department							
Finance and Digital	17,163	9,003	10,399	17,500	337	538	372
Innovation and Change	12,154	5,717	7,183	12,276	122	-110	495
Children, Lifelong Learning & Families	65,650	26,524	31,999	67,647	1,997	424	1,649
Adult Social Care, Integrated Care and Public Health	67,387	36,269	29,531	69,949	2,562	1,866	(770)
Environment, Civic Pride and Climate	20,014	7,115	(3,286)	22,831	2,817	3,232	5,244
Housing and Sustainable Development	9,185	1,955	3,442	11,726	2,541	3,241	1,282
Overheads	16	0	0	16	0	0	
NET SERVICE EXPENDITURE	191,569	86,583	79,268	201,945	10,376	9,191	8,272
Corporate Items							
Impact of Capital on revenue budget	10,882	5,441	4,320	10,882	0	0	(180)
Other Central budgets	(21,884)	2,556	1,543	(24,250)	(2,365)	(1,005)	(7,673)
Levies	1,504	752	927	1,504	0	0	0
TOTAL CORPORATE PROVISIONS	(9,498)	8,749	6,790	(11,864)	(2,365)	(1,005)	(7,853)
Covid-19	0	0	9	0	0	0	46
TOTAL GENERAL FUND	182,071	95,332	86,067	190,081	8,011	8,186	465
FUNDING							
Revenue Support Grant	(6,108)	(3,054)	(3,176)	(6,108)	0	0	0
Business Rates	(35,364)	0	(3,473)	(35,364)	0	0	0
Other Grants	(28,219)	(14,109)	(18,151)	(28,219)	0	0	(430)
Council Tax and Collection Fund	(112,382)	0	0	(112,382)	0	0	0
FUNDING	(182,072)	(17,163)	(24,800)	(182,072)	0	0	(430)
NET	(1)	78,169	61,267	8,009	8,011	8,186	35

Savings unachieved

Directorate budgets are adjusted for the agreed savings targets for 2023/4 as part of the budget setting process. The savings which are now under pressure due to inflation and other factors are included in the forecast of the directorate.

Cashflow

Through prudent treasury cash flow management, the Council continues to meet any additional expenditure from its cash in balances in the bank and primarily from liquid cash balances held in Money Market Funds (MMFs).

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

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

4. DIRECTORATE SUMMARY OF CURRENT POSITION

Finance & Digital

Division	Current Budget	Full year Forecast (September)	Full Year Forecast Variance (September)	Full Year Forecast Variance (June)	Outturn Variance 2022/23
	£000	£000	£000	£000	£000
Infrastructure & Technology	9,670	9,835	165	178	118
Resources	6,621	6,573	(48)	300	85
Corporate Other	873	1,093	220	60	170
Total	17,163	17,500	337	538	372

Overview

The department is currently forecasting an adverse variance of £337k, a reduction of £201k since June (quarter 1). The department is continuing to keep all forecasts under review and mitigate adverse variances wherever possible. A review of all agency spend within the department is being carried out in addition to in depth review of all key budget areas where pressures have been identified.

Infrastructure & Technology - £165k adverse variance

The main adverse variances within the I&T division include £146k on the Corporate Print Strategy due to levels of printing still being far lower than pre-covid, causing the internal income budget to be unachievable. There is also a £201k adverse variance on the IT Service Delivery budget, of which £44k

relates to the cost of providing the 24/7 IT Helpdesk support until the end of August 2023 (when the support came to an end) and the remainder due to the cost of using agency staff to cover vacancies in the permanent staffing establishment. A further £89k adverse variance is forecast in the Business Systems Team, primarily due to ongoing shortfalls against income budgets and pressures on the support and maintenance budget relating to RPI increases. The Client Financial Affairs team are also forecasting a £64k adverse variance due to overspends on staffing, banking and IT costs, as well as an underachievement against the income target.

Mitigating some the above pressures are favourable variances of £157k against the budget for Microsoft Enterprise Agreement (EA) costs (pending confirmation of a possible supplier cross-over fee) and a further £83k favourable variance in the Commercial Services team due to part-year vacancies. The Transactional Services team are forecasting a £30k favourable variance due to the recovery of costs from prior years which are more than offsetting an unachievable £100k saving (reference 2020-21 CS10) against the team's salary budget and a further £50k favourable variance within the division has been identified on cyber security.

There will be a focus in the remaining months of the year to review and reduce agency spend, to bring down the overspend. This will include advertising for permanent posts where agency is in place and there is an on-going need for that job. However, this has previously proved challenging as there is significant competition in the recruitment market from both the public and private sector. There will also be a review of projects and programmes which could be stopped or delayed to support this.

The forecast adverse variance for I&T has reduced by £13k since June.

Resources - £48k favourable variance

The favourable variance in Resources is primarily from underspend forecasts due to part year vacancies in the Financial Information System (FIS) team (27k) and the Capital and Financial Strategy team (£31k). Also due to vacancies is a £118k favourable variance in the Revenue and Benefits Support Team.

Adverse forecast variances in the division include an overspend of £83k on Benefits Administration due to the use of Civica on Demand and grants for Citizens Advice towards funding for disability and debt advisers. The Chief Executive's budget is also forecasting an adverse variance of £65k largely due to recruitment costs incurred in relation to recent recruitment such as for the new SLLp MD as well as various legal and professional fees and the Budget Management Team have a £36k adverse forecast variance due to the use of agency staff.

There has been an overall improvement in the forecast variance of £347k since June. This is due to various changes including the forecasting of income from the GLA as part of a scheme to maximise the collection of council tax and business rates. The forecast now includes the allocation from the GLA for the scheme in 2023/24 as well as for 2022/23 which was found to have been missed during the last financial year in error. The movement in variance has also come from the reflection of part-year vacancies throughout the division.

Corporate Other - £220k adverse variance

The adverse variance is mainly caused by the Housing Benefits (HB) rent allowances budget which has a shortfall against the unrealistic target income set for overpayment recovery resulting in an overspend forecast of £368k. Options for reducing the budgetary pressure on HB are being investigated and will be kept under review and implemented where possible to reduce the forecast adverse variance.

The other significant adverse variance in this area is £81k against the Coroners Court service which includes the cost of additional assistant coroners to assist with a backlog in outstanding court cases many of which are complex cases and jury cases. There are other favourable variances mitigating the above, including £56k from an underspend on added years pensions, £33k for recharges to CHAS for various finance and HR support which has now ended and £84k against the corporately funded items budget which is largely used for the department's legal hard charges incurred from SLLP.

The adverse variance on Corporate Other has increased by £160k since June due to a reduced forecast for subsidy on HB overpayments and removing the favourable variance previously forecast against the corporate redundancy budget pending the completion of structure proposals.

Innovation & Change

Division	Current Budget	Full year Forecast (September)	Full Year Forecast Variance (September)	Full Year Forecast Variance (June)	Outturn Variance 2022/23
	£000	£000	£000	£000	£000
Senior Management	175	231	56	0	0
Customers, Policy and Improvement	7,013	6,877	(137)	(273)	33
Corporate Governance	2,431	2,494	62	(14)	108
Human Resources	2,535	2,675	140	177	354
Total	12,154	12,276	122	(110)	495

Overview

The department is currently forecasting an adverse variance of £122k, an increase of £231k since June.

Senior Management - £56k adverse variance

The adverse £56k variance is on the Executive Director's budget mainly due to the budget not allowing for the costs of an Executive Assistant when the new directorate was created. This will be addressed in the council wide review of admin, business, and executive support, which has just been launched.

Customers, Policy and Improvement - £137k favourable variance

The main favourable variance within the division is from the customer contact budget which is forecasting a £273k underspend in year, this is to be kept under close review as projects get underway which will impact the azure compute costs as the system is moved from the US to the UK. There is a further £91k favourable variance forecast on the Registrars service due to an expected over-achievement on income for service bookings. Cash collections are also forecasting a favourable variance of £29k due to a significantly reduced number of collections taking place.

Reducing the favourable position is the Marketing and Communications budgets where there is a forecast adverse variance of £259k, this is largely due to the use of agency staff whilst a new structure is being considered, including an agency Head of Communications, as well as non-salary expenditure for the council magazine, staff conference and staff awards. An urgent review of expenditure is

underway, and three temporary workers have already been removed from the in-year spend to reduce cost pressures. Further mitigation has been sought through reduction in the Council magazine, pending review of the publication costs. This has further reduced the overspend forecast by £60k. A review of contracts and of print and design spend will create further efficiencies.

There is a further adverse variance of £39k on the Complaints Team following an additional resource being agreed for the team. A further pressure in the division is from an interim position supporting the changes in the corporate management team structure, the funding for this position is to be reviewed and the budgetary pressure may therefore reduce if reserves funding is confirmed.

The adverse movement in variance since June is £136k. This is predominately due to a correction to the AD budget forecast, an increased forecast for customer contact spend as the timing of work which impacts various IT costs have become clearer, and a £50k reduction to the Policy and Strategy team budget following the identification of an error in the original budget set for the year.

Corporate Governance - £62k adverse variance

Within the division there is an adverse forecast of £38k for the Information Team due to the use of agency staff and £52k adverse for the South London Legal Partnership (SLLp). SLLp are forecasting an overall deficit of £243k which is to be shared between the partner boroughs. Merton's share of the deficit is forecast at £52k. The deficit on SLLp is caused by the chargeable hours target being under-achieved.

There are some other smaller variances (favourable) partly offsetting the above, such as £16k on the local election expenses budget as that's not expected to be required this financial year.

The forecast variance in Corporate Governance has increased by £76k since June. This is largely due to the SLLp forecast reflecting the lower than anticipated chargeable hours income for the first half of the year. Management action is being carried out in order to address the level of hours being recorded and this resulted in a marked improvement in income over the past couple of months but will be kept under close review for the remainder of the year.

Human Resources - £140k adverse variance

The forecast adverse variance in Human Resources is predominately due to the use of agency staff covering the posts of Head of Organisational Development as well as a short-term consultant conducting a review of HR. Partly offsetting this is a favourable variance on the transactions budget owing to a £32k VAT correction relating to a 2022/23 invoice paid to Kingston for the itrent/payroll service.

The forecast variance for HR has reduced by £37k since June. This is due to various staffing changes largely offsetting one another, with new starters increasing the forecast in some teams whilst the agency assignment for the Head of HR will now be coming to be end at the end of October to help mitigate the budget pressure, this agency assignment was previously forecast until the financial year end.

Further action will be taken to reduce in-year agency costs.

Environment, Civic Pride and Climate (ECPC)

Service	Current Budget £'000	Full Year Forecast (Sept) £'000	Q2 Forecast Variance (Sept) £'000	Q1 Variance (June) £'000	Last Year Outturn Variance 2022/23 £'000
Parking Services	-17,732	-14,830	2,903	3,403	3,469
Regulatory Services	763	999	236	41	186
Safer Merton & CCTV	1,620	1,558	-62	-230	-153
Public Protection Total	-15,350	-12,273	3,077	3,214	3,502
Greenspaces	2,416	2,641	225	-23	357
Leisure & Culture	1,071	975	-96	-6	-68
Transport Commissioning	-239	-396	-157	-9	-192
Transport Operations	-360	-154	205	88	403
Waste Services	16,256	16,159	-97	70	925
Public Space Total	19,144	19,225	81	121	1,425
Senior Management & Support	1,177	1,029	-148	-5	39
Senior Management Total	1,177	1,029	-148	-5	39
Future Merton	12,360	12,167	-193	-215	173
Sustainable Communities Total	12,360	12,167	-193	-215	173
Libraries	2,682	2,683	1	118	104
Libraries Total	2,682	2,683	1	118	104
Total ECPC Controllable	20,014	22,831	2,818	3,232	5,243

Overview: Environment, Civic Pride & Climate is forecasting an adverse variance of £2.818m. This is reflected across divisions with Public Protection bearing £3.077m, Public Space £81k, Sustainable Communities (£193k) and Senior Management (£148k). The variance has changed favourably since last quarter by (£414k). The department is continuing work to reduce overspends.

Parking – adverse variance £2.903m

The predicted shortfall on Parking Services income is £2.59 million. This shows an improvement of £140k compared to the end of July forecast, and £500k since quarter 1, due to increased PCN income from new bus lane enforcement cameras. Compliance with these bus lanes is improving markedly, and the associated increase in income will therefore not be sustained into 2024/25.

The legislative framework recommends that the cost of Parking services should be fully recovered from permit, car park and on-street bay income. Permit prices were last revised in January 2020, and subsequently inflation has increased prices by almost 17%. The Council now proposes to apply an inflation-led increase to permit prices.

Income from car parks has fallen significantly since the first lockdown in March 2020. Work patterns have changed, with less commuting and more hybrid working. In particular, the demand for 5-day commuter parking has markedly reduced and this has impacted on season ticket sales. Cost of living and fuel price increases may embed the reductions in car ownership and usage experienced during the Covid pandemic.

The forecast assumes that new permit prices will be implemented on 1st January 2024. If this is not achieved, the income deficit this year would increase by an additional £125k. The

forecast 2023/24 income deficit is made up as follows:

	Forecast Income Deficit 2023/24
Traffic PCNs	+£1.040m
Parking PCNs	+£190k
Car parks and season tickets	+£660k
Permits and visitors	+£910k
On-street and other income	-£210k
Total	+£2.590 m

In respect of expenditure, an overspend of £312k is forecast. Of this, £154k has been authorised to fund the parking enforcement pilot. In respect of the balance (£158k), the budgets under pressure include car park maintenance, which is forecast to overspend by £33k with limited opportunities to capitalise essential repairs. IT costs, for example on the RingGo system, have been impacted by recent price increases. The salaries budget for the back-office is forecast to overspend by £89k, including the cost of overtime approved to meet statutory deadlines for PCN appeals; this is associated with the additional PCN issuance noted above.

Regulatory Services – adverse variance £236k

The change in variance from last quarter is £195k mainly because of historical unachievable income targets of £376k for non-shared services that was forecasted as full budget in quarter 1.

The saving targets were predicated on assumptions made before the pandemic around commercial opportunities dating back to 2016. In successive years before the pandemic, these targets were not achieved but no corrective action was taken. Since the pandemic the focus has been recovering on significant backlogs in statutory inspections (see below) and over 100% increase in demand for noise and nuisance services. Having reviewed the revenue generating opportunities, without investment within the service to complete feasibility studies there is no capacity to explore commercial opportunities that may generate revenue. Further work is being done to explore self-financing business cases for future years.

The service is managing a substantial food inspections backlog, consisting of medium and high-risk premises, which is adding budget pressure. An opportunities tracker has been developed to track new project and grant wins as well as preparing for a pipeline of new opportunities for 24-25.

This adverse variance is being offset by reduced staff costs within the shared services due to vacancies.

Safer Merton – favourable variance (£62k)

Safer Merton's favourable variance includes a £62k underspend for Crime & Strategy, with a large change from last month primarily due to IDVA costs being mostly grant funded and being now moved onto the correct grant funded budget codes. A £36k underspend is forecast for ASB due to an underspend in salaries whilst the Business Support post was vacant during recruitment in Q1 and the cost of IT licenses for the ASB case management system which is currently covered by IT.

Offsetting this is a £38k overspend for Emergency Planning. The overspend is primarily attributed to

staffing and equipment costs. Funding has been approved until end of 23/24 financial year for an interim Emergency Planning & Business Continuity Manager and continued funding for a temporary resource to support the development of an organisational resilience programme. The emergency planning budget does not currently reflect these costs.

Equipment costs relate to the purchase of new Airwave radios following the expiration of the warranty. Airwave radios support the multi-agency emergency response work and is part of the national communications network. Other increased costs include the Council's statutory contribution to the London Resilience Group which supports pan-London coordination and response. The costs for the current year were higher than planned whilst a pan-London review is being undertaken. The outcome of this review is anticipated in early 2024 where costs will be determined for future years.

The CCTV biggest variances are £84k on salaries as the CCTV operators shift allowances have increased following an inquiry into single status pay. This allowance increase has been backdated to November 2022 contributing towards the overall overspend. The other main factor is overtime to cover gaps in service arising from long term absences and delays in onboarding when we recruit. Additional agency staff has caused an additional £42k overspend from a 3-month contract with a 3rd party providing additional CCTV staff. The contract has now been terminated. These are being mitigated in year by a favourable variance on the budget for equipment and repairs which is £153k underspent.

To limit the adverse variance in the service, non-emergency overtime has been stopped from 17th of October 2023.

Greenspaces – adverse variance £225k

Greenspaces net adverse variance is made of £35k overspend on Canons HLF, linked to the extension of the Canons House and Grounds Project where LBM are picking up the costs of the Canons Project Officer post until end of the project expected in December 2023. There's a £45k underachievement of income for parking P&D. There is also a £25k net income under-achievement on the SLWP contract. Further income under-achievement has been forecast at £79k for rental income whilst the current parks assets are being reviewed with Estates and Valuations to review the current Leases and Licenses. £61k overspend is forecast on staff mostly for highways grounds maintenance. This is for two temporary tree inspectors, who are coming to the end of a yearlong placement of visual inspections of 40,000+ Highway and Park trees, as a result of the findings of the 2019 LBM Arboriculture Team Review which highlighted inspection failings in the service and indefensible insurance standing on cases leading to essential costs to improve the current service standing. £33k overspend is forecast on premises costs, primarily from increased utilities costs for water bills.

Offsetting the above is (£79k) income overachievement, including Biodiversity net grant received (£26k), MSJC increased service charge for allotment management (26k), increased allotment income and license agreement for Sainsburys PLC at Haydons Road Rec (£10k).

The change in variance from last quarter is an adverse £248k. This is largely from £121k increase on premises costs (£90k for water), £95k increased costs for tree works and £61k net increase in events costs.

Leisure and Culture favourable variance of (£95k)

The variance includes £150k Leisure Centre income overachievement with monthly income increasing from December 2023. This is partly offset by £18k overspend on staff costs, utilities for Morden Assembly Hall £15k overspend on London Youth Games and a £10k income underachievement for Morden Assembly Hall which is being addressed by a possible short-term lease.

Transport – net adverse variance £48k

The adverse variance includes a £230k overspend forecast on transport costs which includes £89k in relation to ULEZ and £47k for vehicle hire, partly offset with an £82k over-achievement of income.

Waste – net favourable variance (£97k)

Waste services variance has changed favourably from last month quarter by (£167k) due a decrease on enforcement net costs, more accurate forecasting based on spend and commitments for the year and a decrease in disposal costs offsetting increased SLWP contract costs.

Future Merton – favourable variance (£193k)

The net underspend is due to income over-achievements from Temporary Traffic Orders (£261k) and Street Works charges (£199k). Both reflect the large volume of third-party works taking place on the highway. In addition, we expect to underspend the CPZ budget by (£110k) resulting from a lower number of CPZs being implemented than in previous years.

The above underspends are more than mitigating the effect of some overspends, which include:

- Highways Maintenance £126k due to contract inflation. Since the start of the contract in 2018 costs have increased by almost 22%.
- Street Lighting electricity costs £124k which are 20% lower than last year but still expected to exceed the budget.
- Supplies and Services £151k, the majority of which relates to statutory advertising costs for Temporary Traffic Orders and is more than covered by the over-achievement in income.
- Bishopsford Bridge litigation costs £28k
- Crossovers – currently showing overspend of £64k which we will look to bring down by ensuring costs are fully recovered for this service.
- Traffic Signals maintenance £28k, for which the cost is fixed each year by TfL and has increased by 8-10% per year for the last 2 years.

Libraries – forecasting on budget

The variance has changed favourably from last quarter by (£117k) due to budget uplifts being applied to security services, cleaning and utilities costs (£101k). A one-off vacancy drag has also led to the variance change.

Senior Management – favourable variance (£147k)

The change in variance from last quarter is a favourable (£142k) due to a decrease in departmental printing, reduced anticipated spend on support costs and staff costs.

Housing and Sustainable Development

Service	Current Budget £'000	Full Year Forecast (Sept) £'000	Quarter 2 Forecast Variance (Sept) £'000	Quarter 1 Forecast Variance (June) £'000	Last Year Outturn Variance 2022/23 £'000
Building & Development Control	118	863	746	876	914
Facilities	4,786	5,247	461	309	373
Property Management	-1,947	-1,995	-47	-39	-594
Future Merton Regeneration	1,801	1,763	-38	-36	-63
Housing	4,009	5,430	1,420	2,131	653
Selective Licensing	138	138	0	0	0
Senior Management & Support	280	280	0	0	0
Total for Housing & Sust Dev Controllable	9,185	11,726	2,541	3,241	1,283

Overview:

Housing & Sustainable Development is forecasting an adverse variance of £2.541m with Housing forecasting an adverse variance of £1.42m, Building and Development control £746k and Facilities £461k. Favourable variances are within Property Management (£47k) and Future Merton Regeneration (£38k). The department will be continuing work to reduce overspends.

Building & Development Control - adverse variance £746k with a favourable change in variance from last quarter of (£131k). This change is mostly due to a decrease in Building Control (BC) staff costs and an increase in income.

Building Control (BC) (£54k) net underspend:

The net favourable variance for BC is made up of (£152k) underspend on employee costs- Building Control Manager and admin officer budgeted for as from December 2023 and Principal Surveyor costs included from January 2024, £14k overspend on supplies & services and £86k income underachievement.

Building Control has not achieved its income target for several years due to a number of reasons including increased market share by Approved Inspectors who compete with local authority BC services for work, as well as numerous vacancies within the team, which have been held to offset the drop in income.

A review of the service has been underway, with new team structure produced, supported by a small successful growth bid last year. This has started to reap benefits. Both market share and income has now increased as a result and there is no reason this shouldn't continue. Recruitment has been proving difficult, with a shortage of skilled building surveyors nationally, so there is still some way to go to get the team fully operational.

Income is also likely to be hit by the national decrease in building works resulting in fewer applications which is due to an increase in material costs as well as the cost-of-living crisis. It should be noted that it is important to get the BC team fully staffed up, not simply to enable it to improve market share and increase income, but also to ensure that the team is able to comply with the impact of the new legislation introduced following Grenfell and also to enable it to fulfil the Council's duty to respond to the ever increasing number of Dangerous Structure incidents as well as to meet its contractual obligations to

provide this service to Sutton Council.

Development Management (DC) net overspend £798k:

DC is forecasting £578k overspend on staff costs, mostly due to the use of agency staff, (£90k) underspend on supplies & services and £312k income underachievement.

A number of agency roles within development management are filling vacancies which have been historically hard to fill – for instance within Planning Enforcement and Planning Admin. These are due to be advertised again as permanent roles and a new structure is planned for Planning Enforcement which should reduce the number of expensive agency workers.

There is a plan in place to reduce overspends and income under achievements. This includes the following actions:

- A bid for £100,000 from the £24 million national Planning Skills Delivery Fund has been submitted to Central Government and a decision on this is expected in early to mid- late October 2023
- A report proposing an “invest to save” restructure of the Planning Enforcement service has been prepared and this would reduce overspend costs by approximately £35,000 per year
- Further efficiencies are being considered to reduce the staffing overspend
- A report preparing a new schedule of increased pre-application charges (essentially doubling, in line with local benchmarks) will be prepared for agreement in December
- An improved system for collecting Planning Performance Agreement fees is being implemented which will bring in c£200,000 of PPA fees
- A number of temporary agency workers will either be transferred to the IT budget due to their work on the M3 software replacement project, or contracts will be stopped where demand has decreased, and other officers can take on the work. This will result in an annual saving of approximately £150,000 per year
- Once the planning application submitted by the AELTC has been presented to the Planning Applications Committee this will free up the capacity of the current Principal Case Officer to take on a full caseload of 40 planning applications, meaning another temporary agency worker can be released thereby saving approximately £60,000 per year
- There will be a further recruitment drive to reinforce the stability of the team and increase the number of permanent workers.

Facilities – adverse variance of £461k:

Facilities variance has changed adversely by £152k from last quarter. This is mainly due to an error on the reporting against the Energy budget in quarter 1.

The total adverse variance is made up of unachieved savings for the closure of Gifford House and the Chaucer Centre (Professional Development Centre) as those buildings remain in operation. There is a target to close and mothball both facilities by the end of the financial year. There are also significant under-achievements against income targets for room bookings and facilities fees, and a £16k overspend on Health and Safety staffing due to the use of agency staff, A further £83k adverse variance on security services for 24/7 cover is forecast as well as a £42k adverse variance on the corporate cleaning budget. Mitigations to reduce this overspend are being put in place. For security, there was overspend due to increased requirements from the business, which have recently been stopped due to a change in approach, and a new contract has recently been put in place which is more efficient and has 24/7 cover built in. Reducing the cleaning operations to less days a week is also being looked at to offset the inflationary overspend. Partly offsetting the overspend is a favourable variance of £78k on the

post and print room due to part year vacancies.

Property Management – favourable variance (£47k):

The net favourable variance is made up of a £43k overspend on costs for Stouthall and £186k overspend on premises costs which are more than offset by a (£99k) underspend on employee costs and (£278k) income overachievement.

Future Merton Regeneration – favourable variance (£38k):

The net favourable variance includes (£52k) overachievement of CIL/S106 income, (£32k) underspend on employee costs, and (£18k) income overachievement from the PPA work for Clarion. This favourable variances are mitigating the effect of adverse variances of £47k due to the consultancy costs relating to the Local Plan work and £35k on Vestry Hall due to increased utilities and security services costs.

Housing – adverse variance £1.42m:

Housing variance has changed favourably by (£711k) since quarter 1.

The main changes being (£729k) increased income expected on Homelessness.

The adverse variance is made up of: £1.5m overspend on Homelessness, (£67k) net underspend on Housing Strategy and (£13k) net income for Supporting People.

The main issues are increasing demand and dropping supply across London and the south east. There has been new research published [1089592_supply-of-prs-accommodation---summary-report-july-2023.pdf \(emlfiles4.com\)](https://emlfiles4.com/1089592_supply-of-prs-accommodation---summary-report-july-2023.pdf) which shows a 41 per cent reduction in the number of London properties available for private rent since the Covid-19 pandemic, amid warnings that turbulence and supply constraints in the private rental market is worsening near-record levels of homelessness across the capital.

In February Shelter published a report [Section 21 no-fault evictions by bailiffs up 143% in a year - Shelter England](#) showing that evictions by s21 notice (which is the biggest cause of homelessness in Merton and London) are up 143% in one year.

This has been seen in the increasing number of households in temporary accommodation (TA), and Merton had 350 households in TA at the end of March, and at the end of September had 409.

There are also demands from people fleeing Ukraine and asylum seekers granted status in the UK and an increase in domestic abuse cases. In August the Government ended provision of accommodation in bridging hotels for refugees from Afghanistan which may see increased homelessness applications from this group. The home office has also reduced notice periods from 28 days to 7 days for refugees leaving home office accommodation which means an increased probability of temporary accommodation placement. Merton has a large contingency hotel in Colliers wood and we have seen an increase in the number of approaches.

The Housing service has taken action to increase income, firstly by way of housing benefit, by meeting weekly with colleagues in housing benefit to tackle the top 10 cases. This had led to increased HB income for the year to date. We have also arranged a further weekly meeting to tackle client contributions, which is intended to increase income, or where appropriate, to take action to evict non-payers. Lastly the team has a daily LEAN process meeting which looks to ensure that the Council takes to step to minimise the use of temporary accommodation whilst meeting our statutory obligations. We

are also recruiting for additional staff to look at taking preventative action wherever possible to reduce the use of temporary accommodation.

Selective Licensing project is forecasting nil variance.

Senior Management is forecasting nil variance.

Children, Lifelong Learning and Education

Children, Lifelong Learning & Families (£000's)	2023/24 Current Budget	Full Year Forecast	Forecast Variance Q2	Forecast Variance Q1	2022-23 Year Variance
Education					
Education Budgets	£ 21,846	£ 21,677	-£ (168)	-£ (679)	£ 557
Depreciation	£ 10,198	£ 10,198	£ -	£ -	£ -
Other Education Budgets	£ 120	£ 120	£ -	£ -	-£ (135)
Education Services Grant	-£(1,062)	-£(1,062)	£ -	£ -	£ -
Education Sub-total	£ 31,102	£ 30,934	-£ (168)	-£ (679)	£ 422
CSC & Other CLLF					
Child Social Care & Youth Inclusion	£ 23,630	£ 25,894	£ 2,263	£ 1,103	£ 1,803
Cross Department	£ 988	£ 988	£ -	£ -	-£ (120)
PFI Unitary Costs	£ 8,808	£ 8,808	£ -	£ -	£ -
Pension and Redundancy Costs	£ 1,122	£ 1,024	-£ (98)	£ -	-£ (456)
Other CLLF Sub-total	£ 34,548	£ 36,713	£ 2,165	£ 1,103	£ 1,227
Grand Total	£ 65,650	£ 67,647	£ 1,997	£ 424	£ 1,649

Overall CLLF is forecasting an overspend of £1.997m for the year, made up of pressures of £2.263 in Children's Social Care, an underspend of £168k in Education and an underspend of £98k in other CLLF. Some of the variances are related to where grants have been applied and some work will be undertaken to regularise this, which will slightly reduce the overspend in Children's Social Care and change the underspends in Education and Other CLLF.

Education is forecasting a lower underspend than in Q1 due to pressures in its demand-based budgets including home to school transport, school attendance responsibilities, and SEND staffing.

The Children's Social Care budget overspend has increased from Q1 due to the higher demand costs of placements and support packages. While this is reflective of the national crisis in placement sufficiency (Children's & Foster Homes) additional control measures are now being implemented before support packages are agreed.

Local Authority

Local Authority Funded Services (£000's)	Budget	Q2 Variance	Q1 Variance	2022-23 Outturn Variance
Child Social Care and Youth Inclusion				
Senior Management	£ 833	-£ (597)	£ 44	£ 72
Head of Help & Family Assessment	£ 3,175	£ 753	-£ (25)	-£ (41)
Head of Family Support & Safeguarding	£ 4,559	£ 2,151	£ 680	£ 1,112
Head of Corporate Parenting	£ 13,014	£ 16	-£ (241)	-£ (394)
Head of Adolescent and Safeguarding	£ 2,050	-£ (60)	£ 645	£ 1,054
CSC & Youth Incl Total	23,630	2,263	1,103	1,803
Education				
Contracts, Proc & School Org	£ 9,537	£ 307	£ 80	£ 1,316
Early Years & Children Centres	£ 4,843	-£ (429)	-£ (237)	-£ (237)
Education - School Improvement	£ 114	£ 41	£ 3	£ 3
Education Inclusion	£ 1,836	-£ (25)	-£ (185)	-£ (185)
Schools Delegated Budget	£ -	£ -	£ -	£ -
SEN & Disability Integrat Serv	£ 2,721	£ 465	£ 112	£ 112
Additional Safety Valve Support and Senior Mangement	£ 1,916	-£ (521)	-£ (383)	-£ (383)
Policy, Planning & Performance	£ 652	£ 22	£ 1	£ 1
Departmental Business Support	£ 227	-£ (27)	-£ (70)	-£ (70)
Adult Education Commissioning	£ -	£ -	£ -	£ -
Education Total	£ 21,846	-£ (168)	-£ (679)	£ 557
Other CLLF Total				
Joint Commissioning & Partnersh	£ 988	£ 0	£ -	-£ (120)
PFI Unitary Charges	£ 8,808	£ -	£ -	£ -
Depreciation	£ 10,198	£ -	£ -	£ -
Other Education Budgets	£ 120	£ -	£ -	-£ (135)
Education Services Grant	-£ (1,062)	£ -	£ -	£ -
Pension & Redundancy Costs	£ 1,122	-£ (98)	£ -	-£ (456)
Other CLLF Total	£ 20,174	-£ (98)	£ -	-£ (711)
LA Total	£ 65,650	£ 1,997	£ 424	£ 1,649

Education

In Education, forecast underspends in early years, education inclusion and senior management budgets offset pressures elsewhere to provide an overall forecast underspend of £168k.

Pressures include home to school transport whereby although management action has ensured that numbers of children transported has reduced moderately, high inflation in the taxi market is providing cost pressure. In SEND the pressure is from a number of Education Psychologists leaving and so a requirement to focus on statutory rather than fee related work.

The improvement in the Early Years service forecast is by the department being able to offset more costs against government grant.

Merton Adult Learning is funded from a ring-fenced grant and is expected to break even in 2023/24.

Children's Social Care and Youth Inclusion

The Children's Social Care budget overspend of £2.263m has increased compared to Q1.

The division has made substantial progress in reducing the cost of agency social workers, but this has been offset by higher costs due to bespoke high-cost placements (due to the national shortage of registered children's homes) and support packages to prevent children from entering the care system. This is reflective of some of the pressures across London and nationwide.

This is a more robust forecast, reflective of a comparable overspend of £2m in 2022/23. Because of the national increase of children entering care and other contextual factors, there is a well-documented national shortage of foster carers. This has made it increasingly harder to match children with foster carers who can meet their needs. In turn, this has meant that children whose needs could be met in foster care, are now being placed in residential homes which has caused a shortage of residential children's homes and weekly costs of those homes to exponentially rise. This has meant that it has become exceptionally difficult to find residential children's homes for children whose needs are beyond foster care and present difficult behaviours.

Whilst the practice in Merton has gone some way to protecting us against the national pressures in comparison to some other LA's, we are being affected which is reflected in this forecast. We have a small number of children whose complex emotional, behavioural and mental health needs required them to become hospital inpatients under the Mental Health Act. Upon being ready for discharge, provisions can cost in excess of circa £500K per child per annum.

Therefore, the markets for residential & agency foster care are supplier led, with local authorities competing for placements and provider increasing prices on grounds of risk, complexity and demand, not just inflation. The bid for a feasibility study to develop an in-house children's home in the growth and savings for 2023/24 is designed to reduce costs in the medium term by reducing dependency on private children's homes.

Contrary to the national and pan-London picture, Merton's number of children in care has decreased over the last 3-years and our rate of children in care per 10,000 children is significantly lower. This forecast is reflective of the increased need of resources needed, including some specific high-cost examples, to support families with complex needs to stay together and children to not enter the care system.

	2020		2021		2022	
	Number	Rate/10K	Number	Rate/10K	Number	Rate/10K
Merton	154	32	142	30	122	26
London	10020	49	9640	47	9960	52
National	80000	67	80780	67	82170	70

Taking into account the increased need of support packages to prevent children from entering care, we are now introducing additional management control measures for support packages. This will ensure they are only agreed when appropriate thresholds and value for money tests have been met and robust review mechanisms.

Given the pressures on the budget including consistent overspending of the budget over a number of years, a deep dive into the Children’s Social care budget has been commissioned to be being undertaken by Grant Thornton.

Dedicated Schools Grant

The Dedicated Schools grant has four distinct blocks: The Schools block, the central School Services Block, the Early Years block the High needs block.

While the first 3 are not under cost pressure as the expenditure meets the government grant received (save for some timing lag issues) it is the High Needs block that is the issue and has been subject to previous specific reports.

The ‘High Needs’ block relates to children with Special Educational Needs (SEND) or receiving alternative provision. Due to a rising deficit in the budget in autumn 2021 the DfE invited Merton to participate in the second round of their ‘safety valve’ intervention programme with the aim of agreeing a package of reform to the high needs system that will bring the High Needs DSG in-year deficit under control, with additional financial contributions from the DfE dependent on the council undertaking these actions. The cumulative deficit at the end of the 2022/23 financial year was £34.465 million.

The latest Safety valve return was submitted to the DfE last month – the DfE confirmed their satisfaction with progress and that payments will continue to be provided in 2023/24. This recent safety valve return forecasts that the deficit would increase as per the table below:

<u>Outturn in 2022/23 and forecast to end of Safety Valve agreement in 2026/27</u>	Outturn 22-23	Forecast 23-24	Forecast 24-25	Forecast 25-26	Forecast 26-27
	£m	£m	£m	£m	£m
Cumulative DSG deficit - brought forward (deficit at beginning of financial year)	-26.933	-34.465	-37.269	-39.426	-38.756
In year DSG deficit (before Safety Valve and local contributions)	-15.232	-6.429	-5.782	-2.955	0
Safety Valve programme contribution	6.7	2.625	2.625	2.625	2.625
Local contribution	1.0	1.000	1.000	1.000	1.000
Cumulative DSG deficit - carry forward (deficit at end of financial year)	-34.465	-37.269	-39.426	-38.756	-35.131

The much smaller forecast in-year DSG deficit (before Safety Valve and local contributions) in the 2023/24 financial year compared to 2022/23 shows the progress made in reducing the in-year gap between the High Needs DSG budget and spend. It also shows that Merton remains on track to deliver an in-year balanced budget by the end of its the Safety Valve Agreement in 2026-27. This has been possible to date through the various actions that have reduced the growth in EHCPs and provided more state school special school places rather than more expensive independent school placements. The assumptions to deliver the balanced plan for 2026/27 includes opening further new provision with the new school planned for September 2026.

However, for 2023/24 we are slightly behind the plan due to a number of challenges in the short term. The persistent high rate of general and underlying inflation is making it challenging to prevent fee increases in the independent school sector and has the potential to undermine the projected commissioning gains.

Officers will be undertaking an in-depth review of progress on our Safety valve plan, especially when more information is confirmed on DfE Dedicated Schools Grant funding for 2024/25.

Adult Social Care, Integrated Care and Public Health Position- Quarter 2 Position

Overview

Adult Social Care, Integrated Care and Public Health is currently forecasting an unfavourable position for quarter two of £2.562m which is an increase £696k compared to quarter one. Public Health expects to achieve a breakeven position.

Adult Social Care, Integrated Care and Public Health	2023/24 Current Budget £ '000	2023/24 Forecast Sept'23 Quarter 2 £'000	2023/24 Variance Sept'23 Quarter 2 £'000	2023/24 Variance June'23 Quarter 1 £'000	2022/23 Outturn Variance £ (Mar'23)
Adult Social Care	67,552	70,114	2,562	1,866	(770)
Public Health	(165)	(165)	0	0	0
Total Favourable/ Unfavourable	67,387	69,949	2,562	1,866	(770)

Directors Summary

The overall position of Adult Social Care, Integrated Care and Public Health is an adverse position of £2.562m.

Adult social care's adverse position has increased from Quarter 1 from £1.866m to £2.562m which is due to increase in demand for care packages particularly from older people and people needing mental health support. This increase is being seen across London and nationally with rising demand seen in every borough. Between April 2023 and August 2023, we had 259 new customers presenting to Adult Social Care. This was an increase on previous years of 50 customers which added £1m extra to the budget which was not expected; similar numbers are being seen in all London boroughs and across England. We are also having cost of living pressures which have added to the budget pressures. An example being in 18/19 the average cost of a Nursing Home was £867 and the average cost in 23/24 is £1235 which is a 43% increase in cost. A recent survey of London wide boroughs by ADASS showed that the average overspends by borough on Adult Social is £4.2m and these issues are seen across England also. The gross placement budget is overspending by £3.8m net but underspending in commissioning services and in house provision, staffing and concessionary fares is bringing the overspend down to £2.562m.

The department is currently undertaking several mitigating actions to reduce its reported overspend over the coming months and future proof the budget. This includes:

- An external review of current pathways into and out of Adult Social Care, including a review of the management structures and processes within adult social care and public health.
- A review to look at assistive technology to facilitate speedy discharges and establish if there are

any further IT options to keep people at home and independent.

- Looking at integration with health and partners to ensure a well-co-ordinated and streamlined pathway for our customers.
- We are commissioning an independent expert to train our staff on Continuing health care to ensure that residents entitled to continuing health care receive the health contributions they are entitled too.
- We are also looking at all our agency spend to reduce costs including looking at senior manager temporary posts with a view of converting these to short term temporary contracts.
- We have also commissioned Grant Thornton to undertake a review of adult social care expenditure to ascertain if we are value for money and whether improvements can be made.

Public Health is expected to achieve a breakeven position. However, the service does have a few on-going challenges due to the expected inflationary increases on health contracts together with agenda for change increases (3% salary increase to NHS Staff which will impact on the PH contracts).

Adult Social Care adverse position has reduced since August by £639k but in comparison to quarter 1 it is an increase by £696k which is due to increase activity in placements. The service is currently transferring clients to the new domiciliary providers after the successful re-procurement of this contract.

Summary of Current Position: -

Adult Social Care

Nationally there is an increase in hospital discharges which has also been felt by Merton with a 13% increase in discharge activity. There was a 22% increase in total referrals received in July 2023. So far in September 2023 we have made 120 more discharges compared to last year.

The service is also seeing a higher number of people presenting with higher levels of need requiring larger packages of care. As mentioned in June's report there is also an increase in the number of older people requiring packages of care and as reported in financial year 2022/23 the service continues to see a move from domiciliary care to long term nursing which is more expensive. There is also an expected £1.4m in transitions cost included in the current forecast.

The service expects that part of the current pressures could be offset by additional client contributions once all new customers are financially assessed. The department also intends to use all grants where conditions allow to fund placements.

This Reablement team has increased the amount of service provided and 76% of its customers do not need an ongoing domiciliary care service. The remaining 24% of customers require a reduced level of domiciliary care on completion of their reablement episode.

Description of Pathways from hospital to community: -

<p>Pathway 0- 50 % of Clients</p> <ul style="list-style-type: none"> • People discharged requiring minimal support, or interventions from health and social care services.
<p>Pathway 1- 45% of clients</p> <ul style="list-style-type: none"> • People who are discharged and able to return home with a new, additional or a restarted package of care.
<p>Pathway 2- 4% of clients</p> <ul style="list-style-type: none"> • People who discharged with a short term intensive support package at a 24 hour bed based setting before returning home.
<p>Pathway 3-1% of clients</p> <ul style="list-style-type: none"> • People who require 24 hours bed based care

Comparison of Discharge Activities

Discharge Activities April to Sept 2021/22

Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	875	207	84	1166
Average	34	8	4	45

Discharge Activities April to Sept 2022/23

Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	837	250	71	1158
Average	32	10	3	45

Discharge Activities April to Sept 2023/24

Week Commencing	Pathway 1	Pathway 2	Pathway 3	Grand Total
Grand Total	994	217	67	1278
Average	38	8	3	49

NB: No data on pathway zero for both years

The above comparison of discharge activities shows that to September 2023/24 the overall activity levels has increased in pathway 1 which means patients discharged are returned home with new or increased packages of care from Adult Social Care.

Adult Social Care- Internal Provision- £357k Favourable Variance

This service's favourable variance as of quarter 2 is £357k which is an increase of £229k since quarter

1. The current underspend is due to the number of vacancies in the service due to the re-provision and redesign of this service.

All staff at Riverside residential home (closed in August 2023) apart from two, have now been transferred to Supported Living with effect from the 1st of October 2023 resulting in a saving of £209k. The saving of salary costs will increase towards the end of the financial year when Meadowsweet care home closes.

Public Health

This service is funded by a ringfenced grant and continues to forecast a breakeven position.

The Public Health team work to improve and protect the health of people living and working in Merton with a focus on reducing health inequalities through strategic leadership and collaborative working with local partners and the community.

The team also prioritises and works strategically to bring additional investment into Merton from a range of sources, using the Public Health grant as a magnet fund, using the grant to leverage in essential partnership funding.

Examples of these include: -

Body	Amount Secured
Sports England for Beat the Streets	£71.6k
Southwest London ICB- Beat the streets	£60k
Southwest London ICB- Suicide Prevention	£15k
Greater London Authority- Superzones in Schools	£90k
Civic Pride Fund-Ready Steady Cook	£42k
Greater London Authority -Social Prescribing	£57k
Sports England for Actively Merton	£65k
Greater London Authority - Food Poverty	£45k
Greater London Authority - Asthma in Schools	£30K
Merton Community Champions-pandemic response	£485K
Total	£960.6k

CORPORATE ITEMS

The details comparing actual expenditure up to 30 September 2023 against budget are contained in Appendix 1.

Corporate Items	Current Budget 2023/24 £000s	Full Year Forecast (Sep.) £000s	Forecast Variance at year end (Sep.) £000s	Forecast Variance at year end (June) £000s	Outturn Variance 2022/23 £000s
Impact of Capital on revenue budget	10,882	10,882	0	0	(180)
Investment Income	(6,321)	(10,321)	(4,000)	(1,000)	(2,897)
Pension Fund	237	237	0	0	(503)
Pay and Price Inflation	7,019	9,032	2,013	1,000	(388)
Contingencies and provisions	10,261	9,882	(379)	(1,005)	(5,387)
Income Items	0	0	0	0	(31)
Appropriations/Transfers	(6,083)	(6,083)	0	0	1,559
Central Items	5,113	2,747	(2,366)	(1,005)	(7,647)
Levies	1,504	1,504	0	0	0
Depreciation and Impairment	(26,997)	(26,997)	0	0	20
TOTAL CORPORATE EXPENDITURE	(9,497)	(11,863)	(2,366)	(1,005)	(7,807)

In the period from the first quarter (to 30 June 2023) to quarter 2 (to 30 September) there has been a net favourable variance of £1.361m. The main changes over the last three months are:

- Pay Inflation: Although the pay award for 2023/24 has not yet been settled, based on the current offer on the table, there will be a provisional adverse variance of £3.413m which is an increase of £2.413m on the June provisional forecast of £1m. The pay award will have an ongoing effect.
- Provision for Excess Inflation: There is a balance in this budget which has not yet been allocated to services and £1.4m is expected to be available to offset the forecast overspend in services
- Contingencies and Provisions
There has been a net adverse variance of £0.626m which is (a) due to the need to set aside additional funding of £2.080m in order to match the potential increase of the DSG deficit in excess of the budgeted provision and (b) the application of unallocated and un-ringfenced Services Grant of £1.454m.
- Investment income
It is forecast that the investment income will achieve a favourable variance of £4m which is an improvement of £3m on the first quarter projection. This is mainly due to the higher level of interest rates currently being achieved.

5 Capital Programme 2023-27

5.1 The Table below shows the movement in the 2023-27 corporate capital programme since the last monthly monitoring report:

Depts	Current Budget 23/24	Variance	Revised Budget 23/24	Current Budget 2024-25	Variance	Revised Budget 24/25	Current Budget 2025-26	Variance	Revised Budget 25/26	Current Budget 2026-27	Variance	Revised Budget 26/27
F&D	7,882	286	8,168	6,025	339	6,364	1,280	0	1,280	7,661	(125)	7,536
ASCIC&PH	0		0	0	0	0	0		0	0	0	0
CLL&F	6,794	(467)	6,326	15,647	467	16,114	3,479	0	3,479	3,400	0	3,400
ECP&C	14,859	(584)	14,274	11,189	280	11,469	16,005	(350)	15,655	12,970	0	12,970
I&C	45	0	45	0	0	0	0	0	0	0		0
H&SD	9,771	2,458	12,228	18,146	(60)	18,086	20,682	0	20,682	17,445	517	17,962
TOTAL	39,350	1,692	41,042	51,007	1,026	52,033	41,446	(350)	41,096	41,476	392	41,868

5.2 The table below summarises the position in respect of the 2023/24 Capital Programme as at September 2023. The detail is shown in Appendix 5a.

Capital Budget Monitoring - September 2023

Department	Actuals £	Year to Date Budget £	Variance £	Final Budget 2023-24 £	Forecast Outturn 2023-24 £	Forecast Variance 2023-24 £
Finance and Digital (a)	1,218,618	1,861,135	(642,517)	8,167,910	8,167,748	(162)
ASC, Integrated Care & Public Health	0	0	0	0	0	0
Children, Lifelong Learning & Families (b)	1,829,296	3,511,510	(1,682,744)	6,326,440	6,326,570	130
Environment, Civic Pride & Climate (c)	4,086,006	6,511,125	(2,425,120)	14,274,150	14,279,532	5,382
Innovation & Change (d)	0	45,000	(45,000)	45,000	45,000	0
Housing & Sustainable Development (e)	1,605,463	3,687,387	(2,081,924)	12,228,120	12,228,120	0
Total	8,739,383	15,616,157	(6,877,304)	41,041,620	41,046,970	5,350

a) Finance & Digital – After the adjustments in the table below (detailed in Appendix 5b) officers are forecasting full spend on all budgets.

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Finance & Digital						
Customer Contact - Replace TKDialogue	(1)	161,000	174,000	0	0	Virement to cover expected outturn on scheme
Customer Contact - Digital Strategy	(1)	0	500,000	0	0	Funding for Digital Strategy
Business Systems - Revenue and Benefits	(1)	0	(335,000)	0	0	Virement from scheme to fund TKDialogue
Business Systems - Parking System	(1)		(35,000)	0	0	For E,CP&C revenue staff to progress the scheme
Financial System	(1)	125,000	0	0	(125,000)	To Pay for Licences for the whole extension period
Finance & Digital		286,000	339,000	0	(125,000)	

(1) Requires Cabinet Approval

b) Children, Lifelong Learning & Families – The table below summarises (detailed in Appendix 5b) the proposed budget adjustments for this month:

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Children, Lifelong Learning & Families						
Hollymount - Capital Maintenance	n/a	(24,000)	0	0	0	Required adjustments to the approved programme for the capital maintenance of schools - these schemes are all funded by government grant and are treated as one budget within the capital programme.
Hatfield - Capital Maintenance	n/a	1,000	0	0	0	
Joseph Hood - Capital Maintenance	n/a	23,820	0	0	0	
Dundonald - Capital Maintenance	n/a	15,000	0	0	0	
Wimbledon Chase - Capital Maintenance	n/a	7,000	0	0	0	
Wimbledon Park - Capital Maintenance	n/a	5,000	0	0	0	
Malmesbury - Capital Maintenance	n/a	0	156,150	0	0	
Bond - Capital Maintenance	n/a	(26,000)	106,000	0	0	
Gorrington Park - Capital Maintenance	n/a	(30,000)	0	0	0	
Haslemere - Capital Maintenance	n/a	30,000	0	0	0	
Unallocated - Capital Maintenance	n/a	(344,970)	0	0	0	
Rutlish - Capital Maintenance	n/a	40,000	0	0	0	
Perseid Upper - Capital Maintenance	n/a	(24,000)	0	0	0	
Melrose - Capital Maintenance	n/a	(50,000)	0	0	0	
Melbury College - SMART - Capital Maintenance	n/a	(10,000)	125,000	0	0	
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(1)	(30,000)	30,000	0	0	
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(1)	(20,000)	20,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(1)	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 3	(1)	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(1)	(10,000)	10,000	0	0	Budget re-profiled in line with projected spend
Total Children, Lifelong Learning & Families		(467,150)	467,150	0	0	

(1) Requires Cabinet Approval

Please note (n/a) = As agreed in June 2023 monitoring report that schools' capital maintenance budgets are funded by one government grant and although on different cost centres are treated as one budget for monitoring and budget management.

Many of the virements are because most of our capital maintenance schemes in schools are almost complete so we have the confidence now that underspends can be vired to other projects from the grant.

There are two primary reasons for the much increased slippage:

- Capital maintenance: In considering uncommitted money following the summer works, our highest priorities are roof works. Having previously planned to do them during the winter it has now been advised that this is too risky in the winter period so 3 are planned to be undertaken from Easter onwards, so into the early part of the 2024/25 financial year.
- SEND expansion projects: There is good progress in most of the expansion projects as part of the High needs Safety Valve, with Cranmer and West Wimbledon Additional Resourced Provision projects completed and the Perseid project making good progress in the design phase. However, some projects still require agreement with schools and to review their purpose before design can progress

The Melrose primary expansion completed more than 2 years ago has now reached settlement with the contractor so is no longer a cost risk which we previously identified and will be met from the existing budget.

c) Environment, Civic Pride & Environment – After progressing the adjustments in the table below (detailed in Appendix 5b) officers are projecting full spend on all budgets and are currently forecasting an overspend on one budgets:

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025-26 £	Budget 2026- 27 £	Explanation for the Budgetary Change
Environment, Civic Pride & Climate						
Parks - New water play feature Wimb Pk	(1)	87,430	(183,000)	0	0	Existing water feature has been repaired with parts that can be used in the new water feature allowing budget to be relinquished - new water feature will be installed as part of a larger scheme incorporating the play area
On Street Parking - P&D - Pay and Display Machines	(1)	(100,000)	0	0	0	Project nearing completion, officers are confident £100k of budgetary provision can be relinquished
Off Street Parking - P&D - Car Park Upgrades	(1)	(265,440)	0	0	0	Work on St Georges Car Park held until freeholder commits to undertaking large scale structural repairs budget relinquished
Parks - Park Security Meas & Trav Prev	(1)	20,000	(20,000)	0	0	Budget re-profiled in line with projected spend
Alley Gating Scheme	(1)	(24,000)	0	0	0	Budget being relinquished as not required to complete identified schemes
Highways & Footways - Casualty Reduction & Schools	(1)	8,000	0	0	0	Additional TfL Funding
Highways & Footways - ANPR Cameras School Streets	(1)	(211,620)	0	0	0	Reduced TfL Funding and £200k relinquished
Highways & Footways - Haydons Rd Access for All	(1)	(100,000)	100,000	0	0	Budget re-profiled in line with projected spend
Highways & Footways - Milner Rd Improvements	(1)	(52,330)	0	0	0	Forecast outturn on the scheme has been reduced budget has been relinquished
Cycle Route Improvements - Active Travel Road Safety	(1)	48,000	0	0	0	Additional TfL Funding to complete agreed programme
Cycle Route Improvements - Haydons Rd Bridge Cycle Lane	(1)	(115,000)	0	0	0	SCIL Funding reducing TfL funding within Active Travel Road Safety is increasing
Sports Facilities - Sporting Big Screens	(1)	(60,000)	60,000	0	0	Concerns regarding the purchase, ownership, security and revenue implications of the Council owning such equipment have delayed progression
Parks - Parks Investment	(1)	45,600	0	0	0	£15k Contribution from Hercules Athletics & £16.8k contribution from a Friends Group and application of GLA Grant moved
Parks - New Green Flag Improvements	(1)	8,000	(20,000)	0	0	Virement to General Parks code of GLA Grant and Re-profiled In Line with projected spend
Parks - Merton Saints BMX Club	(1)	37,400	0	0	0	Additional Civic Pride (NCIL) Funding
Parks - Bridges and Structures	(1)	7,000	(7,000)	0	0	Budget re-profiled in line with projected spend
Parks - Cannizaro Park Safety	(1)	82,500	0	0	0	Virement to correct Cost Centre
Major Library Projects - Library Self Service	(1)	0	350,000	(350,000)	0	Budget re-profiled in line with projected spend
Total Environment, Civic Pride & Climate		(584,460)	280,000	(350,000)	0	

The Creation of a Digital Maker Space is currently forecasting and overspend of £6k, officers are currently identifying funding for this forecast overspend

The Authority has just been successful in a Stage One bid for financial resources for the Local Electric Vehicle Infrastructure from the Department of Transport – this was a joint bid from Hounslow, Richmond and Wandsworth (Stage Two submission by 30th November 2023) – as additional information becomes available it is envisaged that the tranche applicable to Merton will be added to the Capital Programme for 2023-24.

d) Innovation & Change – The election booths were delivered w/c 19 October 2023 the budget is expected to fully spent.

e) Housing & Sustainable Development – After the proposed budget adjustments below

(detailed in Appendix 5b) officers are forecasting full spend at financial year end

Cost Centre Narrative		Budget 2023-24 £	Budget 2024-25 £	Budget 2025- 26 £	Budget 2026-27 £	Explanation for the Budgetary Change
Housing & Sustainable Development						
Projects - Affordable Housing - Afgan Resettlement/Homelessness Pressures	(1)	2,480,000	0	0	0	DLUHC Grant to fully fund this scheme which is expected to be delivered by a Housing Association
Wimbledon Area Regeneration - Cannizaro Park Safety	(1)	(82,500)	0	0	0	Virement to correct Cost Centre
Morden Area Regeneration - Crown Creative Knowledge Exch	(1)	40,000	0	0	0	Virement to fund projected outturn
Borough Regeneration - Shop Front Improvement	(1)	0	(40,000)	0	0	Virement to fund projected outturn
Borough Regeneration - Civic Pride Public Realm	(1)	20,000	(20,000)	0	0	External Architectural Lighting for Vestry Hall Lighting
Disabled Facilities Grant	(1)	0	0	0	517,140	Funded by ringfenced Grant
Total Housing & Sustainable Development		2,457,500	(60,000)	0	517,140	

5.5 Appendix 5c shows the revised funding of the proposed budget for 2023-27

5.6 Appendix 5d includes possible further reductions to the capital programme – green RAG rated items have already been fed into September Monitoring – CMT is asked to consider which amber and red items they wish to progress.

5.7 The table below summarises the movement in the Capital Programme for 2023/24 since its approval in March 2023 (£000s):

Depts.	Original Budget 23/24	Net Slippage 2022/23	Adjustments	New External Funding	New Internal Funding	Re-profiling	Revised Budget 23/24
Finance and Digital	18,386	1,279	(170)	0	0	(11,327)	8,168
ASC, Integrated Care & Public Health	0	0	0	0	0	0	0
Children, Lifelong Learning & Families	8,033	1,034	(17)	1,115	(12)	(3,827)	6,326
Environment, Civic Pride & Climate	13,270	2,159	(1,175)	2,078	103	(2,160)	14,274
Innovation & Change	45	0	0	0	0	0	45
Housing & Sustainable Development	12,951	1,699	(243)	3,027	1,094	(6,300)	12,228
Total	52,685	6,171.430	(1,605)	6,219	1,185	(23,614)	41,042

5.8 The table below compares capital expenditure (£000s) to September 2023 to that in previous years

Depts.	Spend To September 2020	Spend to September 2021	Spend to September 2022	Spend to September 2023	Variance 2020 to 2022	Variance 2021 to 2022	Variance 2022 to 2023
Total Capital	8,144	4,633	9,693	8,739	596	4,106	(954)

Outturn £000s	16,930	21,776	23,365	
Budget £000s				41,042
Projected Spend August 2023 £000s				41,047
Percentage Spend to Budget				21.29%
% Spend to Outturn/Projection	48.10%	21.28%	41.49%	21.29%
Monthly Spend to Achieve Projected Outturn £000s				5,185

5.9 September is halfway through the financial year and departments have spent just over 21% of the budget. Spend to date is higher than two of the last three previous financial years. Finance officers are currently expecting an outturn of around £25-26m, this is £15-16m below the current forecast of just over £39m.

5.10 During September 2023 officers spent just under £2.2 million, to achieve year end spend officers would need to spend approximately £5.2 million each month to year end. Officers are continuing to review the capital programme to further reduce budgetary provision.

6. DELIVERY OF 2023/34 SAVINGS

A summary of progress against 2023/24 savings is shown below, with more details contained in Appendix 4 to this report.

Department	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	2024/25 Savings Forecast £000	2024/25 Shortfall £000
Finance & Digital	905	784	121	784	121
Innovation & Change	150	120	30	145	5
Adult Social Care, Integrated Care & Public Health	1,853	1,056	797	1,168	685
Children, Lifelong Learning and Families	1,425	1,085	340	1,085	340
Environment, Civic Pride & Climate	1,744	529	1,216	580	1,164
Housing & Sustainable Development	431	285	146	285	146
Total	6,508	3,859	2,650	4,047	2,461

7 CONSULTATION UNDERTAKEN OR PROPOSED

- All relevant bodies have been consulted.

8 TIMETABLE

Following current financial reporting timetables.

9 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

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

10 LEGAL AND STATUTORY IMPLICATIONS

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

11 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- a. Not applicable

12 CRIME AND DISORDER IMPLICATIONS

- a. Not applicable

13 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

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

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

Appendix 1-	Detailed Corporate Items table
Appendix 2 –	Pay and Price Inflation
Appendix 3 –	Treasury Management: Outlook
Appendix 4 -	Progress on Savings 2023/24
Appendix 5a –	Current Capital Programme
Appendix 5b -	Detail of Capital Virements
Appendix 5c -	Summary of Capital Programme Funding
Appendix 5d -	Further Review of 2023-24 Capital Programme for Contractual Commitments
Appendix 6a –	Adult social care replacement saving
Appendix 6b -	Adult social care replacement saving Equalities Impact Assessment

14 BACKGROUND PAPERS

- a. Budgetary Control files held in the Finance and Digital department.

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APPENDIX 1

3E. Corporate Items	Council 2023/24	Current Budget 2023/24	Year to Date Actual (Sep.)	Full Year Forecast (Sep.)	Forecast Variance at year end (Sep.)	Forecast Variance at year end (June)	Outturn Variance 2022/23
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost of Borrowing	10,882	10,882	4,320	10,882	0	0	(180)
Impact of Capital on revenue budget	10,882	10,882	4,320	10,882	0	0	(180)
Investment Income	(6,321)	(6,321)	8,047	(10,321)	(4,000)	(1,000)	(2,897)
Pension Fund	237	237	0	237	0	0	(503)
Corporate Provision for Pay Award	4,440	3,971	0	7,384	3,413	1,000	2,450
Corporate Provision for National Minimum Wage	1,500	1,500	0	1,500	0	0	(1,500)
Provision for excess inflation	5,283	1,548	0	148	(1,400)	0	(1,338)
Pay and Price Inflation	11,224	7,019	0	9,032	2,013	1,000	(388)
Contingency	2,500	2,425	0	1,925	(500)	(500)	(558)
Bad Debt Provision	1,000	1,000	17	1,000	0	0	(1,069)
Loss of income arising from P3/P4	0	0	0	0	0	0	(400)
Loss of HB Admin grant	0	0	0	0	0	0	(23)
Apprenticeship Levy	450	450	163	450	0	0	(220)
Revenuisation and miscellaneous	7,708	3,846	101	1,887	(1,959)	(505)	(146)
Growth - Provision against DSG	2,540	2,540	0	4,620	2,080	0	(3,017)
Contingencies and provisions	14,198	10,261	280	9,882	(379)	(1,005)	(5,433)
Other income	0	0	(0)	0	0	0	(31)
Income items	0	0	(0)	0	0	0	(31)
Appropriations: CS Reserves	(360)	(3,769)	(3,769)	(3,769)	0	0	0
Appropriations: E&R Reserves	(286)	(1,937)	(1,937)	(1,937)	0	0	0
Appropriations: CSF Reserves	0	(627)	(633)	(627)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	0	(104)	0	0	0
Appropriations: Public Health Reserves	(93)	(93)	0	(93)	0	0	0
Appropriations: Corporate Reserves	892	447	(446)	447	0	0	1,559
Appropriations/Transfers	50	(6,083)	(6,785)	(6,083)	0	0	1,559
Depreciation and Impairment	(26,997)	(26,997)	0	(26,997)	0	0	20
Central Items	3,273	(11,001)	5,862	(13,367)	(2,366)	(1,005)	(7,853)
Levies	1,058	1,504	927	1,504	0	0	0
TOTAL CORPORATE PROVISIONS	4,332	(9,497)	6,789	(11,863)	(2,366)	(1,005)	(7,853)
COVID-19 Emergency expenditure	0	0	9	0	0	0	46
TOTAL CORPORATE EXPENDITURE inc. COVID-19	4,332	(9,497)	6,798	(11,863)	(2,366)	(1,005)	(7,807)

Pay and Price Inflation as at September 2023

In 2023/24, the budget includes 3% for increases in pay and 3% for increases in general prices, with an additional amount of £5.208m which will be held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 6.7% and RPI at 8.9% and the Council's overall revenue budget under extreme pressure, the majority of this budget has been released to mitigate service pressures.

Pay:

For 2023/24 the final pay award has not been agreed but provision of 3% was included in the MTFS. As previously reported unions have balloted their members over strike action.

The Local Government Employers have made 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).

NB: Due to London weighting, workers in the inner London area would receive a flat rate increase of £2,352, with those in outer London receiving £2,226).

Whilst the union ballots voted to reject the offer, the votes did not achieve sufficient numbers for strike action. On 16 August 2023, the trade union side of the NJC wrote to the Employers' side requesting them to return to the negotiating table with an improved offer for 2023/24.

The Employers' side of the NJC replied on 17 August 2023 stating that "the employers' offer has been repeatedly and unanimously reaffirmed as full and final since it was made on 23 February."

Once the final pay award has been agreed, the cost for Merton will be calculated. Based on the current offer it is estimated that the additional cost above the provision included in the MTFS 2023-27 agreed by Cabinet in March 2023 is c. £4.4m. This has an ongoing impact on the MTFS 2024-28.

Prices:

The Consumer Prices Index (CPI) rose by 6.7% in the 12 months to September 2023, unchanged from August 2023. On a monthly basis, CPI rose by 0.5% in September 2023, the same rate as in September 2022.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 6.3% in the 12 months to September 2023, the same rate as in August. On a monthly basis, CPIH rose by 0.5% in September 2023, compared with a rise of 0.4% in September 2022.

The largest downward contributions to the monthly change in both CPIH and CPI annual rates came from food and non-alcoholic beverages, where prices fell on the month for the first time since September 2021, and furniture and household goods, where prices rose by less than a year ago.

Rising prices for motor fuel made the largest upward contribution to the change in the annual rates. Core CPI (excluding energy, food, alcohol and tobacco) rose by 6.1% in the 12 months to September 2023, down from 6.2% in August; the CPI goods annual rate fell slightly from 6.3% to 6.2%, while the CPI services annual rate rose from 6.8% to 6.9%.

Core CPIH (excluding energy, food, alcohol and tobacco) rose by 5.9% in the 12 months to September 2023, the same rate as in August; the CPIH goods annual rate fell slightly from 6.3% to 6.2%, while the CPIH services annual rate rose from 6.1% to 6.3%.

The RPI rate for September 2023 was 8.9%, which is down from 9.1% in August 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 1 November 2023, the MPC voted by a majority of 6–3 to maintain Bank Rate at 5.25%. Three members preferred to increase Bank Rate by 0.25 percentage points, to 5.5%.

The Bank of England MPC also published the November Monetary Policy report.

In the minutes to the November meeting, the MPC stated that “Twelve-month CPI inflation fell to 6.7% both in September and 2023 Q3, below expectations in the August Report. This downside news largely reflects lower-than expected core goods price inflation. At close to 7%, services inflation has been only slightly weaker than expected in August. CPI inflation remains well above the 2% target, but is expected to continue to fall sharply, to 4¾% in 2023 Q4, 4½% in 2024 Q1 and 3¾% in 2024 Q2. This decline is expected to be accounted for by lower energy, core goods and food price inflation and, beyond January, by some fall in services inflation. In the MPC's latest most likely, or modal, projection conditioned on the market-implied path for Bank Rate, CPI inflation returns to the 2% target by the end of 2025. It then falls below the target thereafter, as an increasing degree of economic slack reduces domestic inflationary pressures. The Committee continues to judge that the risks to its modal inflation projection are skewed to the upside. Second-round effects in domestic prices and wages are expected to take longer to unwind than they did to emerge. There are also upside risks to inflation from energy prices given events in the Middle East. ”

Although the labour market remains tight by historical standards, the MPC say that “against a backdrop of subdued economic activity, employment growth is likely to have softened over the second half of 2023, and to a greater extent than projected in the August Report. Falling vacancies and surveys indicating an easing of recruitment difficulties also point to a loosening in the labour market. Contacts of the Bank's Agents have similarly reported an easing in hiring constraints, although persistent skills shortages remain in some sectors. Pay growth has remained high across a range of indicators, although the recent rise in the annual rate of growth of private sector regular average weekly earnings has not been apparent in other series. There remains uncertainty about the near-term path of pay, but wage growth is nonetheless projected to decline in coming quarters from these elevated levels.”

In conclusion the MPC indicate that it is likely that monetary policy is likely to remain restrictive for an extended period of time It reported that it “will continue to monitor closely indications of persistent inflationary pressures and resilience in the economy as a whole, including a range of measures of the underlying tightness of labour market conditions, wage growth and services price inflation. Monetary policy will need to be sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term, in line with the Committee's remit. Further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures.”

In this report the MPC include forecast quarterly CPI inflation rates over the next three years as follows:-

2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	2026	2026
Qtr.4	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Qtr. 1	Qtr.2	Qtr.3	Qtr.4
CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
%	%	%	%	%	%	%	%	%	%	%	%	%
4.6	4.4	3.6	3.3	3.1	2.5	2.1	2.1	1.9	1.9	1.7	1.6	1.5

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 (October 2023)

	Lowest %	Highest %	Average %
2023 (Quarter 4)			
CPI	2.5	5.2	4.5
RPI	5.5	9.9	6.4
LFS Unemployment Rate	3.5	4.8	4.4
2024 (Quarter 4)			
CPI	0.7	4.0	2.5
RPI	0.9	5.9	3.6
LFS Unemployment Rate	2.8	5.2	4.6

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 (August 2023)

	2023	2024	2025	2026	2027
	%	%	%	%	%
CPI	7.4	3.2	2.1	2.0	2.1
RPI	9.0	4.5	2.9	2.7	3.4
LFS Unemployment Rate	4.0	4.2	4.3	4.5	4.8

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

The MPC currently uses two main monetary policy tools.

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

At its meeting ending on 1 November 2023, the MPC voted by a majority of 6–3 to maintain Bank Rate at 5.25%. Three members preferred to increase Bank Rate by 0.25 percentage points, to 5.5%.

The MPC made it clear that its “The MPC's remit is clear that the inflation target applies at all times, reflecting the primacy of price stability in the UK monetary policy framework. The framework recognises that there will be occasions when inflation will depart from the target as a result of shocks and disturbances. Monetary policy will ensure that CPI inflation returns to the 2% target sustainably in the medium term.”

In the November Monetary Policy Report the MPC say that market expectations suggest policy rates are at or near their peaks and note that “over the past two years, central banks in the UK, US and euro area have tightened policy . Since August, the ECB Governing Council raised its key policy rates by 25 basis points in September and held rates on 26 October, leaving the deposit facility rate at 4%. In the US, the FOMC has kept the target range for the federal funds rate unchanged at 5.25%–5.5%. In both the US and euro area, market-implied paths for policy rates are consistent with no further increases in this tightening cycle. Since the August Report, the market-implied path for policy rates in the euro area is little changed, while the path for US rates is, on average, around 50 basis points higher.”

Similarly UK policy rate expectations have fallen since the August report and the MPC note that “market expectations of UK policy rates have fallen by about 60 basis points over the next three years, on average. The market curve has also flattened. The UK curve remains broadly above the US and euro area, although the gap has narrowed. Partly reflecting stronger demand in the US leading the dollar to appreciate, and a smaller differential between expected policy rates in the UK and the US and euro area, the sterling effective exchange rate has depreciated by about 2.3% since the August Report. Sterling has fallen by 5.5% against the dollar, and by 1% against the euro.

In the November 2023 Monetary Policy report the MPC has used the following projections implied by current data trends:-

	Projections (Nov. 2023)			
	2023 Q.4	2024 Q.4	2025 Q.4	2026 Q.4
GDP	0.6	0.0	0.4	1.1
CPI Inflation(mean)	4.6	3.4	2.2	1.9
LFS Unemployment Rate	4.3	4.7	5.0	5.1
Excess Supply/Excess Demand	0.0	-0.75	-1.5	-1.5
Bank Rate	5.3	5.1	4.5	4.2

The conclusions that the MPC reach in the August 2023 Monetary Policy Report are supported by the following Key Judgements:-

Key judgement 1: GDP is expected to be broadly flat in the first half of the forecast period and growth is projected to remain well below historical averages in the medium term. That reflects the significant increase in Bank Rate since the start of this tightening cycle, subdued potential supply growth, and a waning boost from fiscal policy.

Key judgement 2: The margin of excess demand in the UK economy has diminished over recent quarters and an increasing degree of economic slack is expected to emerge from the start of next year. Unemployment is expected to rise further over the forecast period and exceed the Committee's upwardly revised estimate of the medium-term equilibrium rate from the end of next year.

Key judgement 3: Second-round effects in domestic prices and wages are expected to take longer to unwind than they did to emerge. In the modal forecast conditioned on the marketimplied path of market interest rates, an increasing degree of slack in the economy and declining external cost pressures lead CPI inflation to return to the 2% target by the end of 2025 and to fall below target thereafter. The Committee continues to judge that the risks are skewed to the upside. Taking account of this skew, mean CPI inflation is 2.2% and 1.9% at the two and three-year horizons respectively.

Summary Progress on Savings 2023/24

Appendix 4

Department	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	2024/25 Savings Forecast £000	2024/25 Shortfall £000
Finance & Digital	905	784	121	784	121
Innovation & Change	150	120	30	145	5
Adult Social Care, Integrated Care & Public Health	1,853	1,056	797	1,168	685
Children, Lifelong Learning and Families	1,425	1,085	340	1,085	340
Environment, Civic Pride & Climate	1,744	529	1,216	580	1,164
Housing & Sustainable Development	431	285	146	285	146
Total	6,508	3,859	2,650	4,047	2,461

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: FINANCE AND DIGITAL SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
2020-21 CS10	Further restructuring of the Transactional Services team	100	0	100	R	0	100	Pamela Lamb	saving is to be reviewed as part of budget setting for 2024/25 as it is not achievable. For 2023/24 the shortfall against the saving is offset by one off income for recovery of costs	Y
2023-24 CS04	Benefits Admin and Local Taxation - Reduce travel and car allowances	15	11	4	A	11	4	Sara Murtagh/Rebecca Dodd	Allowances are being reviewed to assess if spend can be further reduced	Y
2023-24 CS07	Insurance contributions	15	15	0	G	15	0	Nemashe Sivayogan		
2023-24 CS08	Housing Benefits - Increase in income contributions	25	25	0	G	25	0	Rebecca Dodd		
2023-24 CS09	Supplies and Services - cross cutting savings to reflect changes in working patterns	50	33	17	A	33	17	Various Officers	This saving is being reported under Finance & Digital but was taken from across multiple services in what was previously known as Corporate Services. There's a shortfall against the elements of the saving placed against the corporate print strategy and safety services	Y
2023-24 CS06	Interest on balances - increase in income contributions	700	700	0	G	700	0	Nemashe Sivayogan		
Total		905	784	121		784	121			

PROGRESS ON 2023/24 SAVINGS

Appendix 4

DEPARTMENT: INNOVATION AND CHANGE SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R / A Included in Forecast Over/Under spend? Y/N
2018-19 CS15	Policy & Partnerships - reduce headcount	50	50	0	G	50	0	Keith Burns		
2022-23 CS7	Customer, Policy & Improvement – Merton link	20	15	5	A	15	5	Sean Cunniffe	Various small overspends across supplies and services	Y
2022-23 CS11	Corporate Governance - Legal income	5	5	0	G	5	0	Paul Phelan		
2023-24 CS01	Communications - Savings on production and distribution of My Merton	25	0	25	R	25	0	Matt Burrows	Efficiencies for the Council Magazine are to be reviewed	Y
2023-24 CS02	Reduce Member's allowances budget to reflect historical underspend	20	20	0	G	20	0	Andrew Robertson		
2023-24 CS03	Electoral Services - Reduce print budget as more of annual canvass done through data match	10	10	0	G	10	0	Andrew Robertson	This saving is currently achievable on canvass spend but there will be a cost associated with the printing and delivering of Household Notification Letters to all households ahead of the GLA elections in January 2024. We will most likely be required to print and send out these letters on the basis of improving the accuracy of the electoral register and encouraging participation, which have an approximate printing cost of 7K and a delivery cost of 20K.	
2023-24 CS05	Legal - Increase target for 3rd party income	20	20	0	G	20	0	Paul Phelan		
Total		150	120	30		145	5			

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: ADULT SOCIAL CARE, INTEGRATED CARE AND PUBLIC HEALTH SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
CH104	Adult Social Care - Discharge to Assess	500	352	148	A	500	0	Phil Howell	Savings proposed in financial year 2021/22	Y
CH105	Commissioning and Market Development – Increasing take up of Direct Payments	150	150	0	G	150	0	Phil Howell		Y
CH108	Commissioning and Market Development – Self-Funder Brokerage Offer	25	0	25	R	0	25	Phil Howell	Due to the delay of the government charging reform policy the service is unable to proceed with this project in 23/24	Y
CH111	Commissioning and Market Development – Commissioning staffing efficiencies	65	65	0	G	65	0	Phil Howell		Y
CH112	ASC - Merging of older people day opportunities services- Eastways (Savings to be replaced)	180	0	180			180	Graham Terry	Replacement saving has been identified the department awaits Cabinet approve of the replacement saving which is expected to be approved at the upcoming Cabinet. The service will be utilising more shared lives opportunities for respite and residential clients	Y
CH113	Make efficiencies with ASC &PH budget	330	330	0	G	330	0	Russell Styles		Y
CH114	Residential - offer supported living as an alternative	110	55	55	A	110	0	Graham Terry		Y
CH115	Efficiencies in day to day business operations	13	13	0	G	13	0	Graham Terry		Y
CH116	Reduce the need for "double handed care" to "single handed care"	200	25	175	A	0	200	Graham Terry	Reablement reductions of double handed care and reviews of existing packages are projected to meet the saving target.	Y
CH117	Provide 4 weeks of free mascot teleware to people leaving hospital	180	66	114	A		180	Graham Terry	Extended free trial to new home care customers to increase the income and meet the shortfall	Y
CH118	Direct payments offer more choice and control to customers.	100	0	100	A	0	100	Graham Terry	Service working to increase uptake of direct payments from other services once the Homecare contract is operational	Y
Total		1,853	1,056	797		1,168	685			

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: CHILDREN, LIFELONG LEARNING AND FAMILIES SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
CSF4-22/23	Children's Social Care Placements - demand management and commissioning	340	0	340	R	0	340	David Michael	This saving was proposed back in 2021 during 2022/23 budgets setting and the environment has changed significantly since then. It is no longer deliverable due to demand and market conditions. The cost of placements are increasing in a supplier led market. The high cost of living is driving up foster care payments. We are part of London wide initiatives to improve the market and are exploring developing our own childrens homes, but these will all take some time to deliver results. We are delivering care leaver accomodation in fortmer caretaker flats to reduce the cost of care leaver support. We are actively seeking to recruit more in-house foster carers to reduce agency fees, and have increased our foster care payments to ensure that it remains a viable offer.	Y
CSF 2324-01	Central CSF Budgets - Pension and redundancy costs	200	200	0	G	200	0	Elizabeth Fitzpatrick		
CSF 2324-02	CSF Controllable budgets - 1% efficiency target	323	323	0	G	323	0	Richard Ellis		
CSF 2324-01	Central CSF Budgets - Pension and redundancy costs	350	350	0	G	350	0	Elizabeth Fitzpatrick		
CSF 2324-03	Education & Early Help - Children's Centre Income	10	10	0	G	10	0	Elizabeth Fitzpatrick	In progress	
CSF 2324-04	Education & Early Help - Revenue costs of capital budgets	140	140	0	G	140	0	Elizabeth Fitzpatrick		
CSF 2324-05	Education and Early Help - Rates of London Road building	62	62	0	G	62	0	Elizabeth Fitzpatrick		
Total		1,425	1,085	340		1,085	340			

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: ENVIRONMENT, CIVIC PRIDE AND CLIMATE SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R / A Included in Forecast Over/Under spend? Y/N	Budget Manager
ENV2023-24 10	E&R - Business efficiencies and rationalisation of budgets	85	85	0	G	85	0	Dan Jones	This saving is being reported under Environment, Civic Pride and Climate but was taken as a reduction in budget from across multiple services in what was previously known as Environment & Regeneration	Y	All
CH107	Library & Heritage Service - Increase income collection by reviewing all Fees and Charges and extending use of space in libraries by third party providers	60	60	0	G	60	0	Anthony Hopkins	Saving is recurrent from 2023/24 onwards but future years are not additional to original saving target		Anthony Hopkins
E1	RSP - Investigate potential commercial opportunities to generate income from provision of business advice.	75	0	75	R	0	75	Calvin McLean	RSP currently delivers a number of schemes on a commercial basis including: £170k NRMM London; £128k 32 borough match funding recovered by Merton for NRMM project; £25k Consultancy for Lambeth & Southwark; £20k Business Friendly Licensing	Y	James Armitage
ENV2021-03	Parking - Review of back office processes and efficiencies	100		100	R		100	Calvin McLean	This has been carried over since 20/21. The RingGo system for permits introduced made things worse and actually resulted in additional staff to rectify errors. This cannot be explored until a new system is in place (P4, 2024-25)		Osagie Ezekiel
ENV2022-23 04	Parking: Continue to enforce School Street locations through ANPR camera enforcement.	489		489	R		489	Calvin McLean	Unachievable £489k on our PCN income target for School Streets. PCNs are going down all the time as motorists comply with the restrictions.		Osagie Ezekiel
ENV2023-24 11	Management of Parking and Traffic with income implications	500		500	R		500	Calvin McLean	Permit price changes have not yet been implemented. Not achievable this year. The proposals still have to go through a consultation process which is imminent		Osagie Ezekiel
ENV2023-24 01	Future Merton - Increase in income from street advertising contract	30	30	0	G	30	0	James McGinlay	Income receipts on track to achieve.		Paul McGarry
ENV2023-24 02	Future Merton - Increase in income from Temporary Traffic Orders	15	15	0	G	15	0	James McGinlay	Income receipts on track to achieve.		Paul McGarry
ENV2023-24 03	Future Merton - Dockless Bike Hire	35	35	0	G	35	0	James McGinlay	Contract to be progressed with bike hire company.		Paul McGarry
ENV2022-23 06	Highways: Advertising - Increased income	10	10	0	G	10	0	James McGinlay	Income receipts on track to achieve.		Paul McGarry
ENV2022-23 02	Public Space – Greenspaces: Raynes Park Sports Ground - new lease arrangement	35	12	23	A	35	0	John Bosley	JD has confirmed that TWC Solicitors would not sign the agreement based on tenancy commencing in September 2022 and confirm that the operation commenced in May 2023. Based on the rent free period of 6 months 2023-24 we will only achieve £12K 23/24		Andrew Kauffman
ENV2022-23 03	Public Space – Greenspaces: Deen City Farm- Reduction in grant by 50%	8	8	0	G	8	0	John Bosley	Grant has been reduced to 10% for 2023/24.	N	Andrew Kauffman
ENV2023-24 06	Greenspaces - Increase in fireworks income	60	60	0	G	60	0	John Bosley	Any increase in income might be offset by expenses. Department achieved £140k profit in Nov 2022 and based on spend to date will achieve the same in Nov 2023 with no increase in ticket prices (cost of living price to be maintained) The £60K target was met in 22/23		Andrew Kauffman

ENV2023-24 07	Greenspaces - Service charge for greenspaces area during Wimbledon fortnight	25	10	15	A	25	0	John Bosley	Invoices have been raised AELTC for the current year championship. AK Only £10K of the £35K target was met 23/24 due to the council tied into a 2 year contract 2024/25 renegotiations will include the £25K shortfall from 23/24 target		Andrew Kauffman
ENV2023-24 18	Waste disposal minimisation	100	100	0	G	100	0	John Bosley	Outturn of change in contract in Veolia contract for food waste - Suez to Veolia - estimated savings target is expected to be met and/or exceeded. The £100K target was met in 23/24	N	Claire Secord
ENV2023-24 19	Waste services SLWP - Wood disposal processed by Thermal Treatment	30	30	0	G	30	0	John Bosley	SLWP - no longer provide wood recycling - DW to chase this and get update *note: savings likely to be deliverable although not directly from this element of waste treatment, hence the Amber RAG status. Savings will be derived from a significant reduction in handling fees for food waste per tonne. The £30K target was met in 23/24	N	Claire Secord
ENV2023-24 04	Leisure & Culture - Rationalisation of Council asset (MAH)	27	13.5	14	A	27	0	John Bosley	Asset rationalised from 31/08/23 - £27K saved over two years - no shortfall and no RA required - involved personnel and had to go through correct HR procedures which took time. There is no shortfall for 24/25 - as the 27K savings was a one-off - there is no additional 27K target - just that the savings would be split over 2 years instead of within the one financial year	N	David Gentles
ENV2023-24 05	Leisure & Culture - Realigning of budgets - increase income target for leisure contractor	60	60	0	G	60	0	John Bosley	Income is as per agreed contract. Target for 22/23: £950k. This year (23/24): £1,016m for 24/25: £1,068m. The savings will be £66K in 23/24 and approximately £52K in 24/25 (based on latest RPIX - however the contract is calculated using October RPIX so this may vary) and are as agreed within the target. - No RA required. The £60K target was met in 23/24	N	David Gentles
Total		1,744	529	1,216		580	1,164				

PROGRESS ON 2023/24 SAVINGS

DEPARTMENT: HOUSING AND SUSTAINABLE DEVELOPMENT SAVINGS PROGRESS 2023/24

Ref	Description of Saving	2023/24 Savings Required £000	2023/24 Savings Forecast £000	2023/24 Shortfall £000	RAG	2024/25 Savings Forecast £000	2024/25 Shortfall £000	Responsible Officer	Comments	R / A Included in Forecast Over/Under spend? Y/N	Budget Manager
2019-20 CS18	Closure of Gifford House and relocation of SLLP	69		69	R		69	Mark Humphries	Closure of building has been delayed and therefore subsequent saving currently unachievable.	Y	Nick Layton
2019-20 CS17	Closure of Chaucer Centre and relocation of teams	77		77	R		77	Mark Humphries	Closure of building has been delayed and therefore subsequent saving currently unachievable.	Y	Nick Layton
ENV2022-23 08	Property Management & Review: Rent Review Income	40	40	0	G	40	0	James McGinlay	Forecast to achieve		Jacquie Denton
ENV2023-24 08	Property Management - Net increase in rental income from commercial properties	120	120	0	G	120	0	James McGinlay	Forecast to achieve		Jacquie Denton
ENV2023-24 09	Development & Control - Increase in income target - more commercial rates (pre-applications)	125	125	0	G	125	0	James McGinlay	A new schedule of pre-application charges will be prepared for the Cabinet prior to the end of 2023. As they will be essentially doubled it is estimated that the Council will achieve an extra £25,000 in income by the end of 2023/24. The Planning Performance Agreement for Mitcham Gasworks has been signed during the week commencing Monday 7th August 2023. This will generate an additional £100,000 during the current financial year and £50,000 of that was submitted to the Council by Berkeley Homes on Thursday 12th October 2023. The Planning Service has negotiated a further Planning Performance Agreement fee of £40,000 (Wimbledon College of Arts) whilst every pre-application meeting regarding Turle Road is currently chargeable. A bid for £100,000 of Central Government funding (Planning Skills Delivery Fund) was submitted by the deadline of 11th September 2023 and a decision on this is expected in mid-October 2023. Agency staff can be released or converted to permanent contracts once the AELTC planning application has been presented to the Planning Applications Committee in October and following planned re-structures of the planning enforcement and admin teams.		Jonathan Berry
Total		431	285	146		285	146				

Capital Budget Monitoring – September 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Merton Capital	8,739,383	15,616,157	(6,877,304)	41,041,620	41,046,970	5,350
Capital	8,739,383	15,616,157	(6,877,304)	41,041,620	41,046,970	5,350
Finance and Digital	1,218,618	1,861,135	(642,517)	8,167,910	8,167,748	(162)
Infrastructure & Transactions	1,255,923	1,372,525	(116,602)	5,709,300	5,709,138	(162)
IT Modernisation	1,255,923	1,372,525	(116,602)	5,709,300	5,709,138	(162)
Customer Contact Programme	830,907	0	830,907	2,801,740	2,801,578	(162)
Business Systems	149,590	503,085	(353,495)	959,290	959,290	0
Social Care IT System	83,038	444,340	(361,302)	885,520	885,520	0
Planned Replacement Programme	192,388	425,100	(232,712)	1,062,750	1,062,750	0
Finance	0	0	0	125,000	125,000	0
Major Projects	0	0	0	125,000	125,000	0
Financial System	0	0	0	125,000	125,000	0
Corporate Items	(37,305)	488,610	(525,915)	2,333,610	2,333,610	0
Centrally Held Budgets	(37,305)	488,610	(525,915)	2,333,610	2,333,610	0
Westminster Ccl Coroners Court	(37,305)	488,610	(525,915)	488,610	488,610	0
Compulsory Purchase Order	0	0	0	1,845,000	1,845,000	0

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
ASC- Int Care & Public Health	0	0	0	0	0	0

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Children-LifeLearn-Families	1,829,296	3,511,510	(1,682,744)	6,326,440	6,326,570	130
Primary Schools	734,290	(130,530)	864,290	2,474,790	2,474,790	0
Hollymount	115,602	212,240	(96,638)	200,740	200,740	0
West Wimbledon	126,461	162,000	(35,539)	162,000	162,000	0
Hatfeild	67,004	61,250	5,754	71,000	71,000	0
Hillcross	3,009	6,010	(3,001)	6,010	6,010	0
Joseph Hood	156,818	439,650	(282,832)	480,000	480,000	0
Dundonald	6,295	52,330	(46,035)	65,000	65,000	0
Merton Park	550	21,100	(20,550)	20,870	20,870	0
Pelham	(1,864)	3,000	(4,864)	3,000	3,000	0
Poplar	5,526	131,860	(126,334)	131,860	131,860	0
Wimbledon Chase	67,834	270,000	(202,166)	277,000	277,000	0
Wimbledon Park	4,942	3,500	1,442	21,000	21,000	0
Abbotsbury	(1,345)	20,000	(21,345)	20,000	20,000	0
Malmesbury	525	0	(5)	530	530	0
Morden	16,907	80,000	(63,093)	80,000	80,000	0
Bond	654	65,830	(65,176)	38,040	38,040	0
Cranmer	5,961	99,660	(93,699)	99,660	99,660	0
Gorringe Park	(1,461)	59,600	(61,061)	25,960	25,960	0
Haslemere	(910)	250,000	(250,910)	280,000	280,000	0
Links	37,852	54,230	(16,378)	53,710	53,710	0
Singlegate	(361)	51,320	(51,681)	50,000	50,000	0
St Marks	(2,329)	410	(2,739)	410	410	0
Lonesome	(925)	3,000	(3,925)	3,000	3,000	0
Sherwood	63,257	75,000	(11,743)	75,000	75,000	0
William Morris	64,288	260,000	(195,712)	260,000	260,000	0
Unlocated Primary School Proj	0	(2,512,520)	2,512,520	50,000	50,000	0
Secondary School	96,116	681,020	(584,904)	433,570	433,570	0
Raynes Park	(810)	0	(810)	0	0	0
Ricards Lodge	(360)	50,360	(50,720)	50,000	50,000	0
Rutlish	(6,376)	507,600	(513,976)	260,510	260,510	0
Harris Academy Wimbledon	103,661	123,060	(19,399)	123,060	123,060	0

Capital Budget Monitoring – September 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
SEN	713,985	2,049,510	(1,335,525)	2,411,010	2,411,140	130
Cricket Green	1,525	81,650	(80,125)	81,650	81,650	0
Melrose	54,882	305,170	(250,288)	255,170	255,170	0
Melrose Whatley Ave SEN	(19,890)	128,980	(148,870)	128,980	128,980	0
Unlocated SEN	0	0	0	0	0	0
Melbury College - Smart Centre	(221)	41,410	(41,631)	31,410	31,410	0
Perseid Lower	151,422	280,040	(128,618)	510,040	510,040	0
Perseid	(614)	113,280	(113,894)	89,280	89,280	0
Medical PRU	5,914	117,450	(111,536)	117,450	117,580	130
Mainstream SEN (ARP)	520,966	981,530	(460,564)	1,197,030	1,197,030	0
CSF Schemes	284,906	911,510	(626,604)	1,007,070	1,007,070	0
CSF Safeguarding	54,244	277,610	(223,366)	294,110	294,110	0
Devolved Formula Capital	176,556	353,120	(176,564)	353,120	353,120	0
Children's Centres	20,758	53,960	(33,203)	63,960	63,960	0
Youth Provision	33,349	226,820	(193,471)	295,880	295,880	0

Capital Budget Monitoring – September 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Environmnt-Civic Pride-Climate	4,086,006	6,511,125	(2,425,120)	14,274,150	14,279,532	5,382
Public Protection and Developm	51,141	798,273	(747,133)	1,873,410	1,872,800	(610)
On Street Parking - P&D	8,147	142,244	(134,097)	255,610	255,000	(610)
Off Street Parking - P&D	35,612	400,576	(364,964)	736,000	736,000	0
CCTV Investment	7,382	161,983	(154,602)	511,800	511,800	0
CCTV Investment	7,382	161,983	(154,602)	511,800	511,800	0
Public Protection and Developm	0	93,470	(93,470)	370,000	370,000	0
Regulatory Service	0	93,470	(93,470)	370,000	370,000	0
Street Scene & Waste	(119,173)	144,000	(263,173)	336,000	336,000	0
Fleet Vehicles	0	120,000	(120,000)	300,000	300,000	0
Waste Operations	(119,173)	24,000	(143,173)	36,000	36,000	0
Alley Gating Scheme	0	24,000	(24,000)	36,000	36,000	0
Waste SLWP	(119,173)	0	(119,173)	0	0	0
Sustainable Communities	4,099,152	5,451,492	(1,352,340)	11,877,380	11,877,372	(8)
Raynes Park Area Roads	25,334	39,060	(13,726)	39,060	39,055	(5)
Highways & Footways	2,007,016	3,578,430	(1,571,414)	7,128,940	7,128,940	0
Cycle Route Improvements	143,807	434,380	(290,573)	713,380	713,380	0
Morden Leisure Centre	0	0	0	0	0	0
Cannons Leisure Centre Works	0	0	0	0	0	0
Wimbledon Park Lake and Waters	26,883	64,190	(37,307)	64,190	64,190	0
Sports Facilities	238,712	259,900	(21,188)	549,750	549,750	0
Street Trees	50,270	48,772	1,498	121,930	121,934	4
Cemeteries	0	0	0	0	0	0
Parks	1,607,129	1,026,760	580,369	3,260,130	3,260,123	(7)
Smart Bin Leases - Parks	0	0	0	0	0	0
Libraries	54,886	97,360	(42,474)	97,360	103,360	6,000
Library Enhancement Works	0	0	0	0	0	0
Major Library Projects	54,886	73,360	(18,474)	73,360	79,360	6,000
Libraries IT	0	24,000	(24,000)	24,000	24,000	0
Climate Change	0	20,000	(20,000)	90,000	90,000	0
Climate Change Initiatives	0	20,000	(20,000)	90,000	90,000	0

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Innovation and Change	0	45,000	(45,000)	45,000	45,000	0
Corporate Governance	0	45,000	(45,000)	45,000	45,000	0
Electoral Services	0	45,000	(45,000)	45,000	45,000	0

Capital Budget Monitoring – September 2023

	Actuals	Year to Date Budget	Variance	Revised Budget 2023-24	Forecast Outturn 2023-24	Forecast Variance 2023-24
Housing & Sustainable Developm	1,605,463	3,687,387	(2,081,924)	12,228,120	12,228,120	0
Housing	371,808	366,852	4,956	4,181,140	4,181,140	0
Disabled Facilities Grant	371,808	351,852	19,956	879,630	879,630	0
Projects - Affordable Housing	0	0	0	3,264,010	3,264,010	0
Projects - Empty Homes	0	15,000	(15,000)	37,500	37,500	0
Major Projects - Social Care H	0	0	0	0	0	0
Regeneration	693,618	719,843	(26,225)	2,502,870	2,502,870	0
Mitcham Area Regeneration	195,792	0	195,792	489,180	489,180	0
Wimbledon Area Regeneration	167,175	411,443	(244,268)	1,107,660	1,107,660	0
Morden Area Regeneration	322,694	280,800	41,894	517,000	517,000	0
Borough Regeneration	7,957	27,600	(19,643)	389,030	389,030	0
Property Management	0	0	0	451,000	451,000	0
Property Management Enhancemen	0	0	0	451,000	451,000	0
Facilities Management	540,038	2,600,692	(2,060,654)	5,093,110	5,093,110	0
Works to other buildings	201,471	269,900	(68,429)	674,750	674,750	0
Civic Centre	317,858	2,178,736	(1,860,878)	4,038,220	4,038,220	0
Invest to Save schemes	20,709	152,056	(131,348)	380,140	380,140	0

Virement, Re-profiling and New Funding - September 2023

Appendix 5b

		Starting Budget 2023-24	Virement	Funding Adjustment	Reprofiling	Revised Budget 2023-24	Starting Budget 2024-25	Virement	Funding Adjustment	Reprofiling	Revised Budget 2024-25	Narrative
		£	£	£	£	£	£	£	£	£	£	
Finance & Digital												
Customer Contact - Replace TKDialogue	(1)	114,000			161,000	275,000	0	335,000		(161,000)	174,000	Virement to cover expected outturn on scheme
Customer Contact - Digital Strategy	(1)	30,000				30,000	79,290		500,000		579,290	Funding for Digital Strategy
Business Systems - Revenue and Benefits	(1)	90,000				90,000	410,000	(335,000)			75,000	Virement from scheme to fund TKDialogue
Business Systems - Parking System	(1)	52,000				52,000	606,820		(35,000)		571,820	For E,CP&C revenue staff to progress the scheme
Financial System	(1)	0			125,000	125,000	0				0	To Pay for Licences for the whole extension period
Children, Lifelong Learning & Families												
Hollymount - Capital Maintenance	n/a	224,740	(24,000)			200,740	0				0	Required adjustments to the approved programme for the capital maintenance of schools - these schemes are all funded by government grant and are treated as one budget within the capital programme.
Hatfield - Capital Maintenance	n/a	70,000	1,000			71,000	0				0	
Joseph Hood - Capital Maintenance	n/a	456,180	23,820			480,000	0				0	
Dundonald - Capital Maintenance	n/a	50,000	15,000			65,000	0				0	
Wimbledon Chase - Capital Maintenance	n/a	270,000	7,000			277,000	0				0	
Wimbledon Park - Capital Maintenance	n/a	16,000	5,000			21,000	0				0	
Malmesbury - Capital Maintenance	n/a	530	156,150		(156,150)	530	0	0	156,150		156,150	
Bctn - Capital Maintenance	n/a	64,040	80,000		(106,000)	38,040	0	0	106,000		106,000	
Bringe Park - Capital Maintenance	n/a	55,960	(30,000)			25,960	0		0		0	
Chelmer - Capital Maintenance	n/a	250,000	30,000			280,000	0		0		0	
Unallocated - Capital Maintenance	n/a	394,970	(344,970)			50,000	0		0		0	
North - Capital Maintenance	n/a	220,510	40,000			260,510	0		0		0	
Leid Upper - Capital Maintenance	n/a	104,150	(24,000)			80,150	0		0		0	
Wose - Capital Maintenance	n/a	197,970	(50,000)			147,970	0		0		0	
Melbury College - SMART - Capital Maintenance	n/a	41,410	115,000		(125,000)	31,410	0		0	125,000	125,000	
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	(1)	30,000			(30,000)	0	845,970			30,000	875,970	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	(1)	30,000			(20,000)	10,000	2,009,340			20,000	2,029,340	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 4	(1)	10,000			(10,000)	0	720,000			10,000	730,000	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Second school ARP expansion 3	(1)	10,000			(10,000)	0	1,698,850		0	10,000	1,708,850	Budget re-profiled in line with projected spend
Mainstream SEN (ARP) - Primary school ARP expansion	(1)	10,000			(10,000)	0	405,990		0	10,000	415,990	Budget re-profiled in line with projected spend
Environment, Civic Pride & Climate												
Parks - New water play feature Wimb Pk	(1)				87,430	87,430	183,000		(95,570)	(87,430)	0	Existing water feature has been repaired with parts that can be used in the new water feature allowing budget to be relinquished - new water feature will be installed as part of a larger scheme incorporating the play area
On Street Parking - P&D - Pay and Display Machines	(1)	205,610		(100,000)		105,610	0				0	Project nearing completion, officers are confident £100k of budgetary provision can be relinquished
Off Street Parking - P&D - Car Park Upgrades	(1)	601,440		(265,440)		336,000	0				0	Work on St Georges Car Park held until freeholder commits to undertaking large scale structural repairs budget relinquished
Parks - Park Security Meas & Trav Prev	(1)	75,000			20,000	95,000	50,000			(20,000)	30,000	Budget re-profiled in line with projected spend
Alley Gating Scheme	(1)	60,000		(24,000)		36,000	0				0	Budget being relinquished as not required to complete identified schemes
Highways & Footways - Casualty Reduction & Schools	(1)	437,700		8,000		445,700	0				0	Additional TfL Funding
Highways & Footways - ANPR Cameras School Streets	(1)	251,840		(211,620)		40,220	0				0	Reduced TfL Funding and £200k relinquished
Highways & Footways - Haydons Rd Access for All	(1)	100,000			(100,000)	0	0			100,000	100,000	Budget re-profiled in line with projected spend

(1) Requires Cabinet approval

(2) Requires Council Approval

Virement, Re-profiling and New Funding - September 2023

Appendix 5b

		Starting Budget 2023-24	Virement	Funding Adjustment	Reprofiling	Revised Budget 2023-24	Starting Budget 2024-25	Virement	Funding Adjustment	Reprofiling	Revised Budget 2024-25	Narrative
		£	£	£	£	£	£	£	£	£	£	
Highways & Footways - Milner Rd Improvements	(1)	222,330		(52,330)		170,000	0				0	Forecast outturn on the scheme has been reduced budget has been relinquished
Cycle Route Improvements - Active Travel Road Safety	(1)	380,380		48,000		428,380	0				0	Additional TfL Funding to complete agreed programme
Cycle Route Improvements - Haydons Rd Bridge Cycle Lane	(1)	135,000		(115,000)		20,000	0				0	SCIL Funding reducing TfL funding within Active Travel Road Safety is increasing
Sports Facilities - Sporting Big Screens	(1)	60,000			(60,000)	0	0			60,000	60,000	Concerns regarding the purchase, ownership, security and revenue implications of the Council owning such equipment have delayed progression
Parks - Parks Investment	(1)	225,750	12,000	33,600		271,350	300,000				300,000	£15k Contribution from Hercules Athletics & £18.6k contribution from a Friends Group and application of GLA Grant moved
Parks - New Green Flag Improvements	(1)	62,000	(12,000)		20,000	70,000	150,000			(20,000)	130,000	Virement to General Parks code of GLA Grant and Re-profiled In Line with projected spend
Parks - Merton Saints BMX Club	(1)	130,000		37,400		167,400	0				0	Additional Civic Pride (NCIL) Funding
Parks - Bridges and Structures	(1)	85,000			7,000	92,000	31,000			(7,000)	24,000	Budget re-profiled in line with projected spend
Parks - Cannizaro Park Safety	(1)		82,500			82,500	0				0	Virement to correct Cost Centre
Major Library Projects - Library Self Service	(1)					0	0			350,000	350,000	Budget re-profiled in line with projected spend
Housing & Sustainable Development												
Projects - Affordable Housing - Afgan Settlement/Homelessness Pressures	(1)			2,480,000		2,480,000						DLUHC Grant to fully fund this scheme which is expected to be delivered by a Housing Association
Wimbledon Area Regeneration - Cannizaro Park Safety	(1)	82,500	(82,500)			0	0				0	Virement to correct Cost Centre
Morden Area Regeneration - Crown Creative Knowledge Exch	(1)	377,000	40,000			417,000	0				0	Virement to fund projected outturn
Borough Regeneration - Shop Front Improvement	(1)	0	(40,000)		40,000	0	790,000			(40,000)	750,000	Virement to fund projected outturn
Borough Regeneration - Civic Pride Public Realm	(1)	0			20,000	20,000	1,470,000			(20,000)	1,450,000	External Architectural Lighting for Vestry Hall Lighting
Total		6,284,010	0	1,838,610	(146,720)	7,975,900	9,750,260	0	369,430	621,720	10,741,410	

Virement, Re-profiling and New Funding - September 2023

		Starting Budget 2025-26	Virement	Funding Adjustment	Reprofiling	Revised Budget 2025-26	Revised Budget 2026-27	Virement	Funding Adjustment	Reprofiling	Revised Budget 2026-27	Narrative
		£	£	£	£	£	£	£	£	£	£	
Finance & Digital												
Financial System	(1)	0				0	200,000			(125,000)	75,000	To Pay for Licences for the whole extension period
Environment, Civic Pride & Climate												
Major Library Projects - Library Self Service	(1)	350,000			(350,000)	0	0				0	Budget Re-profiled in line with projected spend
Housing & Sustainable Development												
Disabled Facilities Grant	(1)	0				0	309,860		517,140		827,000	Funded by ringfenced Grant
Total		350,000	0	0	(350,000)	0	509,860	0	517,140	(125,000)	902,000	

(1) Requires Cabinet approval

(2) Requires Council Approval

Capital Programme Funding Summary 2023/24

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August 23 Monitoring	17,331	22,019	39,350
SCIL Adjustment fo Q2 Receipt	(100)	100	0
Finance & Digital			
Customer Contact - Replace TKDialogue	161	0	161
Financial System	125	0	125
Children, Lifelong Learning & Families			
Malmesbury - Capital Maintenance	0	(156)	(156)
Bond - Capital Maintenance	0	(106)	(106)
Melbury College - SMART - Capital Maintenance	0	(125)	(125)
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	0	(30)	(30)
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	0	(20)	(20)
Mainstream SEN (ARP) - Second school ARP expansion 4	0	(10)	(10)
Mainstream SEN (ARP) - Second school ARP expansion 3	0	(10)	(10)
Mainstream SEN (ARP) - Primary school ARP expansion	0	(10)	(10)
Environment, Civic Pride & Climate			
Parks - New water play feature Wimb Pk	0	87	87
On Street Parking - P&D - Pay and Display Machines	(100)	0	(100)
Off Street Parking - P&D - Car Park Upgrades	(265)	0	(265)
Parks - Park Security Meas & Trav Prev	20	0	20
Alley Gating Scheme	(24)	0	(24)
Highways & Footways - Casualty Reduction & Schools	0	8	8
Highways & Footways - ANPR Cameras School Streets	(200)	(12)	(212)
Highways & Footways - Haydons Rd Access for All	0	(100)	(100)
Highways & Footways - Milner Rd Improvements	0	(52)	(52)
Cycle Route Improvements - Active Travel Road Safety	0	48	48
Cycle Route Improvements - Haydons Rd Bridge Cycle Lane	0	(115)	(115)
Sports Facilities - Sporting Big Screens	(60)	0	(60)
Parks - Parks Investment	0	34	34
Parks - New Green Flag Improvements	20	0	20
Parks - Merton Saints BMX Club	0	37	37
Parks - Bridges and Structures	7	0	7
Housing & Sustainable Development			
Projects - Affordable Housing - Afgan Resettlement/Homelessness Pressures	0	2,480	2,480
Morden Area Regeneration - Crown Creative Knowledge Exch	40	0	40
Borough Regeneration - Civic Pride Public Realm	20	0	20
September 23 Monitoring	16,974	24,067	41,042

Capital Programme Funding Summary 2024/25

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August 23 Monitoring	21,346	29,661	51,007
SCIL Adjustment fo Q2 Receipt	(363)	363	0
Finance & Digital			
Customer Contact - Replace TKDialogue	174	0	174
Customer Contact - Digital	500	0	500
Business Systems - Revenue and Benefits	(335)	0	(335)
Business Systems - Parking System	(35)	0	(35)
Children, Lifelong Learning & Families			
Malmesbury - Capital Maintenance	0	156	156
Bond - Capital Maintenance	0	106	106
Melbury College - SMART - Capital Maintenance	0	125	125
Mainstream SEN (ARP) - Secondary sch ARP expansion 2	0	30	30
Mainstream SEN (ARP) - Raynes Pk Sch ARP expansion 1	0	20	20
Mainstream SEN (ARP) - Second school ARP expansion 4	0	10	10
Mainstream SEN (ARP) - Second school ARP expansion 3	0	10	10
Mainstream SEN (ARP) - Primary school ARP expansion	0	10	10
Environment, Civic Pride & Climate			
Parks - New water play feature Wimb Pk	(0)	(183)	(183)
Highways & Footways - Haydons Rd Access for All	0	100	100
Parks - Park Security Meas & Trav Prev	(20)	0	(20)
Sports Facilities - Sporting Big Screens	60	0	60
Parks - New Green Flag Improvements	(20)	0	(20)
Parks - Bridges and Structures	(7)	0	(7)
Major Library Projects - Library Self Service	350	0	350
Housing & Sustainable Development			
Morden Area Regeneration - Crown Creative Knowledge Exch	(40)	0	(40)
Borough Regeneration - Civic Pride Public Realm	(20)	0	(20)
September 23 Monitoring	21,589	30,409	51,998

Capital Programme Funding Summary 2025/26

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August 23 Monitoring	23,767	17,679	41,446
SCIL Adjustment fo Q2 Receipt Environment, Civic Pride & Climate	(600)	600	0
Major Library Projects - Library Self Service	(350)	0	(350)
September 23 Monitoring	22,817	18,279	41,096

Capital Programme Funding Summary 2026/27

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
August 23 Monitoring	24,736	16,740	41,476
Finance & Digital			
Financial Systems - Improving Financial Systems	(125)	0	(125)
Housing & Sustainable Development			
Disabled Facilities Grant	0	517	517
September 23 Monitoring	24,611	17,257	41,868

Further Review of the Capital Programme 2023-24, last updated Oct 23

Appendix 5d

Finance and Digital									
Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept) incl IT capitalised Salaries to 1.10.23	POs Raised	Remaining Budget	Narrative - impact of removing	RAG		
Customer Contact Programme - Sapien DPIA/IAR Imp	LBM funded	5,980	3,887		2,093	These schemes are part of Year 2 of the IT Implementation Programme. Expenditure on these schemes comprises two areas: Agency Staff: 13 agency staff are currently employed delivering the IT implementation programme costing and estimated £142k per month (current spend £852k) - estimated to be £1.8 to £2m in 2023-24 (or to complete Y2 implementation). Third Party Costs: Current Spend £566k, it is currently estimated that £2m is scheduled to be spent on third parties in 2023-24 (or to complete Y2 Implementation). Abortive Costs: Agency staff could be given notice (this would take an estimated two weeks) depending of the timing of any decision the authority is likely to incur at least one more month of salary costs. In addition, it is envisaged that the majority of agency costs incurred this financial year would be abortive and funding would need to be identified to charge these costs to revenue. If the agency staff are given notice this will have an impact of savings for Citrix in 24-25 as the work to migrate will not be completed, other corporate projects (Skype to Teams, PI removal Dark Fibre will also be affected.) We will also need more than a 2 weeks to do a formal handover of work to internal teams as some of the projects just cant be stopped, this will have an impact on internal work and staff priorities. The £1Million for the Dark Fibre matched funding is not on this list, this has was agreed in May and has revenue savings. The contract has just been signed by TFL. The £70,000 for wireless microphones and hybrid meetings are not related to customer contact programme - this is democratic services	R		
Customer Contact Programme - Portal	LBM funded	7,080	7,080		0				
Customer Contact Programme - Complaints	LBM funded	387,780	250,573		137,207				
Customer Contact Programme - Digital Strategy	LBM funded	30,000	50,375		(20,375)				
Customer Contact Programme - Replace TKDialogue	LBM funded	275,000	14,254	40,049	220,697				
Customer Contact Programme - Unified Data Model	LBM funded	452,080	208,831	30,000	213,249				
Customer Contact Programme - Members Enquiries Solution	LBM funded	86,000			86,000				
Customer Contact Programme - M365 Tools - PowerBI	LBM funded	38,000			38,000				
Customer Contact Programme - M365 Tools - Power Automate	LBM funded	55,800	47,488		8,312				
Customer Contact Programme - M365 Tools - Foms	LBM funded	113,000	46,053		66,947				
Customer Contact Programme - Dynamics365 CRM	LBM funded	106,900		4,000	102,900				
Customer Contact Programme - Biztalk Replacement	LBM funded	110,000	16,948		93,052				
Customer Contact Programme - CRM Healthcheck	LBM funded	60,000			60,000				
Customer Contact Programme - Transport Management System	LBM funded	64,860	18,298		46,562				
Customer Contact Programme - Virtual Desktop	LBM funded	237,530	79,365		158,165				
Customer Contact Programme - Data Security and Control	LBM funded	143,060	84,248		58,812				
Customer Contact Programme - Improve End User Devices	LBM funded	169,480	80,369		89,111				
Customer Contact Programme - Active Directory	LBM funded	78,040	29,540		48,500				
Customer Contact Programme - Self-Service	LBM funded	36,490	17,232		19,258				
Customer Contact Programme - Network Reconfiguration	LBM funded	274,660	124,347		150,313				
Customer Contact Programme - Wireless Microphones & Hybrid	LBM funded	70,000			70,000				
Business Systems - Environmental Asset Management	LBM funded	123,640	32,153		91,487			Contractually committed to replace or extend the business systems within this cost centre - action has to be taken as current contracts expire - as discussed at the reduction meetings officers are extending contract periods as contracts are due for renewal and the saving from this action has already been built into future years of the Capital Programme. Citrix saving needs Revs and bens migrated to the Cloud by end calendar year.	R
Business Systems - Revenue and Benefits	LBM funded	90,000			90,000				
Business Systems - Housing System	LBM funded	6,080	6,075		5				
Business Systems - Planning&Public Protection Sys	LBM funded	189,880	45,345		144,535				
Business Systems - Kofax Scanning	LBM funded	100,000			100,000				
Business Systems - Spectrum Spatial Analyst Repla	LBM funded	352,770	137,295		215,475				
Business Systems - e-Forms Platform Transition	LBM funded	0	2,050						
Business Systems - Regulatory System	LBM funded	38,410			38,410				
Business Systems - Parking System	LBM funded/Reserve	52,000	7,834		44,166				
Business Systems - Ancillary IT Systems	LBM funded	6,510	128		6,383				
Social Care IT System -Replacement Social Care System	LBM funded	636,930			636,930	See commentary for the Customer Contact Programme and Business Systems. In addition these budgets will be used to address the legislative requirement for IT care integration and the integration of Mosaic and e5	R		
Social Care IT System -Mosaic ASC Changes	LBM funded	81,670	31,281		50,389				
Social Care IT System -EHCP Hub	LBM funded	12,220	5,280		6,940				
Social Care IT System -Mosaic Finance Integration	LBM funded	68,560	31,418		37,142				
Social Care IT System -Transition Tracker	LBM funded	10,170	6,050		4,120				
Social Care IT System -Insights to Intervention	LBM funded	75,970	34,320	1,726	39,925				
Planned Replacement Programme - General	LBM funded	862,750	65,515	83,235	714,000	Five year rolling programme to replace operational hardware and software - required to maintain existing IT provision - if the budget is reduced would struggle to replace hardware etc such as laptops, this is needed to remove PI as agreed by CMT. These budgets also provide for the replacement of Storage Area Network equipment (SAN) and backup hardware which is essential to the functioning of all IT systems and is out of support in Qtr 2 2024. Network switch upgrade is required for the Dark Fibre work.	R		
Planned Replacement Programme - Network Switch Upgrade	LBM funded	200,000	141,907		58,093				
Planned Replacement Programme - IT Equipment	LBM funded	0	(15,035)	8,966	6,069				
Financial Systems - Improving Information Systems	LBM funded	125,000			125,000	Invoice received for multi-year licences to cover extension period	Committed		
Westminster Coroners Court	LBM funded	488,610	(37,305)	0	525,915	Committed Budget managed outside of Merton	Committed		
Clarion Compulsory Purchase Orders	Clarion Funded	1,845,000			1,845,000	Clarion will refund any expenditure by Merton	Ringfenced		
Total Finance & Digital		8,167,910	1,573,200	167,974	6,428,786				

Further Review of the Capital Programme 2023-24, last updated Oct 23 continued.....

Appendix 5d

Children, Lifelong Learning and Families

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Hollymount-Schools Capital maintenance	Ringfenced Grant	200,740	115,602	44,776	40,362		
West Wimbledon-Schools Capital maintenance	Ringfenced Grant	162,000	126,461	21,542	13,997		
Hatfield-Schools Capital maintenance	Ringfenced Grant	71,000	67,004	1,387	2,609		
Hillcross-Schools Capital maintenance	Ringfenced Grant	6,010	3,009	0	3,001		
Joseph Hood-Schools Capital maintenance	Ringfenced Grant	480,000	156,818	56,488	266,694		
DunDonald-Schools Capital maintenance	Ringfenced Grant	65,000	6,295	15,245	43,460		
Merton Park-Schools Capital maintenance	Ringfenced Grant	20,870	550	19,590	730		
Pelham-Schools Capital maintenance	Ringfenced Grant	3,000	(1,864)	7,949	(3,085)		
Poplar-Schools Capital maintenance	Ringfenced Grant	131,860	5,526	116,766	9,568		
Wimbledon Chase-Schools Capital maintenance	Ringfenced Grant	277,000	67,834	140,070	69,096		
Wimbledon Park-Schools Capital maintenance	Ringfenced Grant	21,000	4,942	7,184	8,874		
Abbotsbury-Schools Capital maintenance	Ringfenced Grant	20,000	(1,345)	14,384	6,961		
Malmesbury-Schools Capital maintenance	Ringfenced Grant	530	525	0	5		
Morden-Schools Capital maintenance	Ringfenced Grant	80,000	16,907	53,840	9,253		
Bond-Schools Capital maintenance	Ringfenced Grant	38,040	654	31,436	5,950		
Cranmer-Schools Capital maintenance	Ringfenced Grant	99,660	5,961	36,861	56,838		
Gorringe Park-Schools Capital maintenance	Ringfenced Grant	25,960	(1,461)	25,895	1,526		
Haslemere-Schools Capital maintenance	Ringfenced Grant	280,000	(910)	144,440	136,470		
Links-Schools Capital maintenance	Ringfenced Grant	53,710	37,852	285	15,573		
Singlegate-Schools Capital maintenance	Ringfenced Grant	50,000	(361)	46,648	3,713		
St Marks-Schools Capital maintenance	Ringfenced Grant	410	(2,329)	399	2,340		
Lonesome-Schools Capital maintenance	Ringfenced Grant	3,000	(925)	97	3,828		
Sherwood-Schools Capital maintenance	Ringfenced Grant	75,000	63,257	3,213	8,530	Ringfenced Grant	Ringfenced
William Morris-Schools Capital maintenance	Ringfenced Grant	260,000	64,288	101,138	94,574		
Unlocated Primary School Proj-Schools Capital m	Ringfenced Grant	50,000	0	177	49,823		
Ricards Lodge 6th Form Expans	Ringfenced Grant	50,000	0	0	50,000		
Rutlish-Schools Capital maintenance	Ringfenced Grant	260,510	(6,376)	3,878	263,009		
Harris Academy Wimbledon-Expansion	Ringfenced Grant	123,060	103,661	9,252	10,147		
Cricket Green-Schools Capital maintenance	Ringfenced Grant	42,610	1,525	31,484	9,601		
Cricket Green School Expansion	Ringfenced Grant	39,040	0	0	39,040		
Melrose-Schools Capital maintenance	Ringfenced Grant	147,970	65,261	29,760	52,949		
Melrose School Expansion	Ringfenced Grant	107,200	(10,379)	25,971	91,608		
Melrose-Schools Capital maintenance	Ringfenced Grant	10,000	9,182	0	818		
Whatley Avenue Expansion	Ringfenced Grant	118,980	(29,072)	0	148,052		
Melbury College - Smart Centre-Schools Capital m	Ringfenced Grant	31,410	(221)	30,015	1,616		
Perseid Schools Capital maintenance	Ringfenced Grant	310,040	102,785	99,532	107,723		
Perseid School Expansion	Ringfenced Grant	200,000	48,638	0	151,362		
Perseid-Schools Capital maintenance	Ringfenced Grant	80,150	40,512	57,013	(17,375)		
Perseid School Expansion	Ringfenced Grant	9,130	(41,126)	0	50,256		
Medical PRU-Schools Capital maintenance	Ringfenced Grant	27,120	11,295	0	15,825		
Medical PRU Expansion	Ringfenced Grant	90,330	(5,381)	3,436	92,275		
Mainstream SEN (ARP)-Raynes Pk Sch ARP expa	Ringfenced Grant	10,000	0	0	10,000		
Mainstream SEN (ARP)-Cranmer Primary School	Ringfenced Grant	812,500	499,906	52,717	259,877		
Mainstream SEN (ARP)-West Wimb Primary ARP	Ringfenced Grant	354,220	17,566	37,633	299,021		
Mainstream SEN (ARP)-Hatfield Primary ARP ex	Ringfenced Grant	20,310	3,494	557	16,259		
CSF Safeguarding-Children's Safeguarding	LBM Capital	165,000	0	0	165,000	Officers are currently working with our legal team and that of the carer's ("Grantee") solicitor on the exact agreement. The intention is that the council will have security in the property for a set period and the grantee will be required to pay back if the council does not get the benefit of the placement, with the percentage of the grant back payable reducing over time. <u>Abortive Costs:</u> It is envisaged that there would be considerable additional placement costs incurred by the Council if this foster placement were to cease.	R
CSF Safeguarding-Care Leavers Living Accom	LBM Capital	129,110	54,244	6,414	68,452	Adaptation of properties to provide semi-independent (SI) accommodation for care leavers. The identified properties were formerly school caretaker properties and then let out by E&R via an agency to private tenants. Currently the council is meeting a high cost of the needs for these young people through companies providing a care service and accommodation, which can duplicate the work of our in-house team. The projects are to enable us to a model of using our spare council accommodation for priority cases (spend to save business case). There are five live schemes, three of which have completed, and two of which were delayed due to tenancy vacancy issues, but will still in the autumn. A 6th house has now become available (Hillcross School) with the potential for a 7th (Liberty School). We would like to bid for these extra properties to be adapted for the same purpose, which will have the same spend to save case	R
Devolved Formula Capital	Ringfenced Grant	353,120	176,556	0	176,564	Ringfenced	Ringfenced
Children's Centres-Bond Road Family Centre	SCIL	33,960	20,758	0	13,202	This project is to provide an outdoor play facility for The Bond Road Family Centre, the Council's designated facility for court ordered supervised contact for birth parents and their children who are looked after by the LA. The works have been completed with a few minor payments to make	Committed
Children's Centres-Family Hubs	Ringfenced Grant	30,000	0	0	30,000	Ringfenced	Ringfenced
Youth Provision-Pollards Hill Digital Divide	SCIL	295,880	33,349	147,908	114,623	This budget is to build a suitable IT education classroom at Pollards Hill Youth Club and equip it to be used for group work, homework support, coding club etc. We are now in contract so are committed to it	Committed
Total Children, Lifelong Learning and Families		6,326,440	1,830,467	1,425,379	3,070,594		

Further Review of the Capital Programme 2023-24, last updated Oct 23 continued.....

Appendix 5d

Environment, Civic Pride & Climate

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
On Street Parking P&P - Pay and Display Machines	LBM Capital	105,610	10,398	12,236	82,976	The funding is in place to remove on street loss making machines. Additional revenue costs will be incurred if the scheme is stopped. £55k required and committed for current phase of machine removal, which is in progress. By end of Nov, analysis will be available for the next phase of removal with estimated costs of £50k. £100k of this budget can therefore be relinquished. £100k removed as part of September 2023 Monitoring	Remove all = RED Remove £100k = GREEN
On Street Parking P&D - ANPR Cams Air Qual & Traf Sens	SCIL	150,000	0	149,539	461	Locations identified and cameras ordered.	Committed
Off Street Parking P&D - Car Park Upgrades	LBM Capital/SCIL	336,000	32,250	49,569	254,181	£265k of this budget has been identified to be removed / re-profiled due to the pausing of work at St George's Rd car park. Total estimated cost of essential works £336k which includes: 1) York Close resurfacing, vital part of Morden TC parking linked to TfL / Peel House. 2) EV charge points; high political priority 3) LED conversions; improve security, lower energy costs, payback within 3 years £265k removed as part of September 2023 Monitoring	Remove all = RED Remove £265k = GREEN
Off Street Parking P&D - Peel House Car Park	LBM Capital	400,000	3,362	0	396,638	Top level of car park will become unsafe if nothing is done. We are negotiating with TfL (freeholder) whose aim is to redevelop in the future. York Close will be the main long term car park. Peel House needs to be made safe by removing the top floor. The car park is essential in the short/medium term pending redevelopment of Morden TC. Following works annual revenue will increase by c£150k (will assist with the Parking revenue gap). <u>Abortive Costs:</u> Loss of £150k per annum parking income	R
CCTV Investment - CCTV Cameras & Infrastructure Upgrade	LBM Capital/SCIL	350,000	3,902	178,791	167,307	Contractual commitment of £179k (POS raised). CCTV equipment upgrades are linked to the dark fibre infrastructure investment. Old obsolete/unreliable cameras need replacing to improve reliability and additional cameras will increase coverage across the borough to include areas that known crime hotspots. Reliable CCTV coverage supports the night time economy, which is a political priority <u>Abortive Costs:</u> Loss of income as old cameras become obsolete/fail and there is the potential to increase income through provision of reliable CCTV	R
Rapid Response Cameras	LBM Capital	42,580	1,213	40,764	603	Cameras ordered.	Committed
Willow Lane Bridge Imps	SCIL	26,790	0	0	26,790	Scheme cannot be progressed until the Dark Fibre Scheme is complete. This is a flytipping hotspot and is currently experiencing an increase in fly tipping and anti-social behaviour. Currently using redeployable cameras which limit borough wide use of these cameras to monitor other hotspots <u>Abortive Costs:</u> Revenue budgets have to cover the cost of removing flytipping.	A
Brangwyn Crescent/Commonside East	SCIL	52,430	0	0	52,430	Scheme cannot be progressed until the Dark Fibre Scheme is complete. This is a flytipping hotspot and current redeployable cameras are not providing full coverage Increase in fly tipping and anti-social behaviour. Currently using redeployable cameras which limit borough wide use of these cameras to monitor other hotspots. Current redeployable cameras are not providing full coverage Increase in fly tipping and anti-social behaviour. <u>Abortive Costs:</u> Revenue budgets have to cover the cost of removing flytipping.	A
CCTV Dark Fibre	SCIL	40,000	2,267	0	37,733	FULLY COMMITTED to contribute to IT Services funded work (£1.1m), plus GLA funding. £130k has been relinquished proposal to divert £130k to fund CCTV control room upgrades. New bid required for this.	Committed
Designing Out Crime for ASB	SCIL	50,000	0	49,560	440	Cameras ordered.	Committed
Noise Monitoring Equipment	LBM Capital	70,000	0	0	70,000	Current equipment no longer reliable and at end of life. Essential tool in dealing with noise matters. Statutory requirement to monitor and control noise. Procurement is underway.	Committed
Upgrade Auto Air Qual Mon Stat	LBM/S106/SCIL	250,000	0	0	250,000	Current equipment is at the end of its life, unreliable and does not meet the latest reporting requirements (PM 2.5), resulting in failure to return full data set in 2022-23. Statutory requirement to monitor air quality and we are required to submit returns to DEFRA. New AQ action plan - Political priority. Award of contract is imminent (credit check in progress for successful bidder). The procurement includes equipment for Richmond & Wandsworth. Considerable reputational impact if project is paused.	Committed
Replacement of Fleet Vehicles	LBM Capital	300,000	0	0	300,000	Budget is required to address ULEZ compliancy for passenger transport vehicles before 2024-25. It is envisaged that this budget will be used to cover the cost of any finance leasing. <u>Abortive Costs:</u> - There is no revenue budget for the additional cost of non-ULEZ compliant vehicles	Committed
Alley Gating Scheme	LBM Capital	36,000	0	35,850	150	No other identified schemes at this time. Remaining £25K can be relinquished. Budget has been removed as part of September 2023 Monitoring	£24k = G
Raynes Park Station Public Realm	S106	39,060	25,334		13,726	Ringfenced S106	Ringfenced
Street Lighting Replacement Pr	LBM Capital	290,000	82,380	51,548	156,072	Note that 2025-26 onwards budget has been removed and new bid required. Currently the volume of 'Red' columns that are identified following structural testing each year is 1.5% (this is on average with national figures) therefore around 200 columns are required to be upgraded per annum. With the current Capital funding allocation for street lighting (£290k), we are only able to upgrade 160 columns per year (£1800 per column). This is due to increase costs for Steel, deliveries and resource as within the funding allocation previously 225 columns could have been upgraded per annum. <u>Abortive Costs:</u> No abortive costs expected.	R
Accessibility Programme	TfL	360,650	59,910		300,740	Ringfenced TfL	Ringfenced
Casualty Reduction & Schools	TfL	445,700	61,827		383,873	Ringfenced TfL	Ringfenced

Further Review of the Capital Programme 2023-24, last updated Oct 23 continued.....

Appendix 5d

Environment, Civic Pride & Climate continued.....

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Traffic Schemes	LBM Capital	100,000	12,341		87,659	£50k of this budget already removed. Part committed for contract inflation. Required for road safety related schemes, : 20mph signage, safety at junctions, speed activation signs, footway improvements for disabled. Safety implications of stopping road safety programme. Revenue consequences of aborting schemes = Already chrged to revenue	Committed
Surface Water Drainage	LBM Capital/	100,000	9,671	30,891	59,438	£20k match funding for project underway Kenilworth Rd (TW part funding, plus NCIL) £40k for 3 Kings Pond, Mitcham design underway. Risk of flooding / damage to infrastructure if not progressed. Linked to TfL funded cycle scheme	Committed
Repairs to Footways	LBM Capital	1,240,870	609,909	632,641	(1,680)	Schemes in progress / programmed	Committed
Maintain AntiSkid and Coloured	LBM Capital	60,000	0	60,000	0	Schemes in progress / programmed	Committed
Borough Roads Maintenance	LBM Capital	2,171,890	902,848	1,280,750	(11,708)	Schemes in progress / programmed	Committed
Highways bridges & structures	LBM Capital	475,950	49,371	198,508	228,071	Spend to date on West Barnes La deck replacement: £50k, Streatham Rd retaining wall – estimate £35k, provisional date for works Oct 23, Carshalton Rd – detailed design work £30k Oct/Nov. Construction works expected to take place Jan / Feb 23, cost estimate £120k. Burlington Rd – estimate for construction £300k. Additional costs for utility diversions £150k. Scheme likely to start later 2023-24 and will require funding fm 24-25 Project management costs total for all schemes £50k Abortive Costs: Would charge as much as possible to capital.	R
TfL Principal Rd Maint	TfL	200,000	592	199,500	(92)	Ringfenced TfL	Ringfenced
Culverts Upgrade	SCIL	203,080	868	37,718	164,494	Although there is not much spend considerable work has been undertaken in relation to this scheme. Seely Rd culvert – expected start date Nov 23, cost estimate £200k from 2023-24 budget. Mitcham Rd culvert , scope of project could increase as we may add a section belonging to LB Wandsworth to the works, which they will fund. Will require legal agreement with LB Wandsworth. Construction likely to start at end of 23-24 (dependent on EA granting a permit). The is scheme will spend remainder of 23-24 budget and majority of 24-25 budget and will be re-profiling the budget when officers have established the likely spend profile. Risk of structures failing with huge consequences for the Council, private properties and danger to life if not progressed. Abortive Costs: Higly likely to be abortive costs from any committed expenditure if the schemes were not progressed	R
Lamp Column Chargers	ORCS	427,250	206,463	0	220,787	Ringfenced ORCS	Ringfenced
Residential Cycle Storage	SCIL	25,670	0	0	25,670	Linked to TfL funding, which is being spent first. Huge demand for on street hangars. Removing budget would mean some streets would miss out. In procurement at the moment as have not been happy with the delivery of the existing supplier. Would look to cover the streets from the budget set aside for the Walking and Cycling Strategy as cycling is an administration priority. Abortive Costs: Do not envisage any at the moment	A
ANPR Cameras School Streets	LBM Capital/	40,220	40,215	0	5	Not yet committed, new school street prog part of revenue growth bid so will not be progressed this year. No current progress on purchasing cameras for new locations. £200k removed from capital programme as part of September 2023 Monitoring	G
S Wimb Bus Area Wayfinding	NCIL	127,660	0	0	127,660	Ringfenced NCIL	Ringfenced
Motspur Pk Stat Access for All	SCIL	690,000	0	690,000	0	Grant agreement with NW Rail in place	Committed
Milner Rd Improvements	SCIL/CP	170,000	269	0	169,731	In progress, committed but can relinquish £50k - £52k removed as part of September 2023 Monitoring	50K = G
Cycle Parking	TfL/SCIL	265,000	38,167	8,778	218,055	Ringfenced TfL	Ringfenced
Cycle Improve Residential Stre	TfL	428,380	105,640	0	322,740	Ringfenced TfL	Ringfenced
Haydons Rd Bridge Cycle Lane	SCIL	20,000	0	0	20,000	Keep £20k. Relinquish £105k as we now have £105k TfL funding. Scheme programmed. As part of September 2023 Monitoring £115k has been removed	G
Wimbledon Park Lake Safety	SCIL	64,190	26,883	26,853	10,454	Remaining £10k required for safe future access to spillway for IDV maintenance operations staff to ensue area is maintained and avoid clogging up water flow, critical part of drainage system.	R
Leisure Centre Plant & Machine	LBM Capital	499,750	238,712	245,388	15,650	Roof works in progress. Canons soft play £150k, Canons entrance area £40k, Morden Park Green Gym £31.5k	Committed
Sporting Big Screens	Rev reserve	0	0	0	0	Political priority. However, there are practical considerations in the provision of owning such equipment and additional revenue costs required (technical expertise, security, storage, insurance etc). Budget re-profiled to 2024-25 as part of September 2023 Monitoring to allow time to investigate these practical considerations	N/A
Borough of Sport Infrastructure	LBM Capital	50,000	0	0	50,000	£50k to be spent post-engagement with local clubs to identify quick wins, i.e. small improvements that will benefit activities. If removed reputational impact, particularly following on from Big Sports Day.	Committed
Street Tree Programme	LBM Capital	60,000	45,637	9,686	4,677	Ongoing.	Committed
New street tree planting prog	SCIL	11,930	4,633	0	7,297	Ongoing.	Committed
Harris Academy Trees	S106	50,000	0	0	50,000	Ringfenced S106	Ringfenced
Parks Investment	LBM Capital	271,350	163,818	142,641	(35,109)	Priorities for the remaining budget: Health & Safety / DDA access improvements, e.g. Morden Rec, Holland Gardens.	Committed
Resurface Tennis Courts (Wimb Park)	Reserve/LTA	350,440	239,064	97,973	13,403	LTA grant of £200k spent. £137k of LBM ringfence reserve is committed. Remaining £13k of LBM money is committed to investment in pickle-ball.	Ringfenced
New water play feature Wimb Pk	SCIL	87,430	87,423	0	7	Checking with TC, is this SCIL-able? If so, budget to be brought forward from 2024-25. Also linked to AELTC planning	Committed
Paddling Pool Borough Wide	LBM Capital	33,390	33,390	0	0	Complete	Complete
Morley Park Enhancements	S106	19,370	0	0	19,370	Ringfenced S106	Ringfenced

Further Review of the Capital Programme 2023-24, last updated Oct 23 continued.....

Appendix 5d

Environment, Civic Pride & Climate continued.....

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Sports Drainage	SCIL	88,970	0	66,335	22,635	Commissioned the planned works for Joseph Hood Rec car park. Remaining budget is needed for the construction of a drainage ditch, which is required to complete the project and provide a robust solution to the drainage problems.	Committed
Multi Use Sports Areas	SCIL	140,690	140,690	0	0	Complete	Complete
Myrna Close Public Realm	S106	48,800	48,791	0	9	Complete	Complete
Morden Park Playground	NCIL	75,530	0	73,522	2,008	NCIL ringfenced and project planned with Friends to commence on site September 2023 after extensive stakeholder engagement	Ringfenced
Merton Saints BMX Club	NCIL	167,400	42,600	0	124,800	NCIL grant project being delivered via FMConway through term contract	Ringfenced
Cannizaro Park Safety	NCIL	82,500	0	0	82,500	NCIL ringfenced project designs have been approved. Greenspaces Team will put out on London Portal September 2023	Ringfenced
Durnsford Road Recreation Ground	NCIL	44,770	0	64,769	(19,999)	NCIL ringfenced and project planned with Friends to commence on site October 2023	Ringfenced
Garfield Rec MUGA refurb	NCIL	120,000	36,816	83,184	0	NCIL ringfenced project in construction phase on site completion August 2023. Requested 10% contingency for Turf Reinstatement rather than seeding.	Ringfenced
Green Gym for Moreton Green	NCIL	35,000	0	31,252	3,748	NCIL ringfenced project commences on site August 2023 with Great Outdoor Gym Company	Ringfenced
Playground Priority Upgrades Prog	SCIL	350,000	218,230	72,552	59,218	Multi year scheme, bid was based on health & Safety requirements - park user's safety. Consultation & design complete for Miles Rd Rec £75k-£100K. Rowan Rec playground requires £250k to be progressed in 2024-25. If these schemes do not progress there is a risk of closing parts of the parks, plus the reputational impact of pausing schemes after we have consulted (lead member, residents, local stakeholders) <u>Abortive Costs: None</u>	R
New Green Flag Improvement Prog	SCIL	70,000	19,163	47,505	3,332	Current year fully spent.	Committed
Green Spaces Bridges and Structures	LBM Capital	92,000	9,200	82,016	784	Complete	Committed
Resurface Tennis Courts (Borough Wide)	SCIL/LTA	883,650	558,594	193,672	131,384	Budget includes £734k from LTA which is all fully committed. SCIL match of £150k is committed as a contribution. Works still to be complete on pickleball courts at Tamworth Lane and Morden Park.	Committed
Wandle Tree Trail Safety & Mg Prog	SCIL/LBM Ca	60,000	0	0	60,000	Tree works planned to alleviate issues with bridges and path infrastructure on the trail (PROW / National Cycle Network). Health & Safety measures to keep the trail safe. <u>23-24 spend is for stage 2 -Plough Lane to Weir Road</u> £25K: enabling works, habitat enhancement and riverbank safety (Z-trees). Trail is a well-used commuter route so public safety is paramount and could be compromised if these works do not take place. £10K: planting extra trees (Z-trees) £11K: biodiversity report (RSPB) £TBC: Japanese knotweed management (PBA Solutions, as part of 5yr treatment programme) <u>Abortive Costs: None</u>	R
Parks Security Meas & Ill Occ Prev	SCIL	95,000	0	94,337	663	Current year fully spent.	Committed
Existing Green Flag Impr Prog	SCIL/LBM Capital	50,000	8,950	15,752	25,298	Merton has 6 existing Green Flag Award winning sites - many of the original awards bar Abbey Recreation Ground have received the Green Flag for between 9-10 years now and some of the necessary infrastructure items in the park are beginning to show their age and the £300,000 Parks Investment Fund can only be divided so many ways between the 67 other sites vying for attention The parks and greenspaces team work hard with the existing Friends of Parks Groups using the prioritised action plan for site improvements to seek funding from Internal and External sources in partnership with Park Friends and service providers at IdverdeUK to ensure every penny invested is maximised Officers relinquished half the future year programme budget (£125k) as part of the August/September Capital Reduction Meetings, if there are further reductions to the programme there is a risk of losing Green Flag status at 2 sites: Sir Joseph Hood (held for 9 years) & John Innes (held for 9 years). Reputational impact. <u>Abortive Costs: None</u>	A
Martin Way - Greener, Brighter, Rev.	NCIL/Civic Pr	93,840	0	0	93,840	£33.8 is NCIL ringfenced. £60k from Civic Pride. Greenspaces Team have done designs for planting areas.	Ringfenced
Creation Digital Maker Space	Ringfenced Grant	73,360	54,886	0	18,474	Ringfenced grant awarded by Arts Council England to install a new digital maker space and increase library opening hours via new technology. All expenditure to be completed by January 2024.	Ringfenced
Library Management System	LBM Capital	24,000	0	0	24,000	Funding has been committed and carried over from previous years. The funding is to replace the current library website and the new solution is to go live on 26 October 2023.	Committed
Carbon Offset Funding	S106	50,000	0	0	50,000	Ringfenced S106	Committed
Community Retrofit Loan	LBM Rev Contr	40,000	0	0	40,000	Climate Delivery Plan	Committed
Total Environment, Civic Pride & Climate		14,274,150	4,236,677	5,054,080	4,983,393		

Innovation & Change

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Corporate Governance - New Election Booths	LBM funded	45,000	0	44,740	260	Committed Budget due for delivery w/c 16/10/2023	Committed
Total Innovation and Change		45,000	0	44,740	260		

Housing & Sustainable Development

Project Title	Funding Source	Revised Budget 2023-24 September 2023 Monitoring	YTD Spend (end Sept)	POs Raised	Remaining Budget	Narrative - impact of removing	RAG
Disabled Facilities Grant	Ringfenced Grant	879,630	371,808	588,221	(80,399)	Ringfenced Grant Funded	N/A
Affordable Housing - Affordable Housing Fund	LBM Capital/Ringfenced Grant	784,010	0	0	784,010	Required to progress the first 93 affordable dwellings to tender stage for which project managers, architects etc have been/are being contracted to undertake work <u>Abortive costs:</u> It is envisaged that any costs incurred would need to be charged to revenue. In addition, would also loose revenue grant of £360k on which revenue costs have already been incurred.	Committed
Afgan Resettlement	Ringfenced Grant	2,480,000	0	0	2,480,000	Ringfenced Grant Funded	N/A
Empty Homes Strategy	LBM Capital	37,500	0	0	37,500	Political priority. Scheme required to bring back into use empty properties. Scheme start slipped due to recruitment issues, now resolved, and the Empty Property Officer is expected to be in post by December. £87,500 already removed in 23-24. Removal of remaining funding would mean the scheme could not progress in 2023-24. <u>Abortive Costs:</u> At present there are currently no abortive costs in capital	R
New Horizon Centre	NCIL	27,470	0	0	27,470	Ringfenced NCIL	Ringfenced
Springboard SMCA	NCIL	86,210	86,130	0	80	Ringfenced NCIL	Ringfenced
Mitcham Cricket Green	NCIL	54,000	31,000	0	23,000	Ringfenced NCIL	Ringfenced
Small Quarter Phase2	NCIL	22,000	20,000	0	2,000	Ringfenced NCIL	Ringfenced
Chapter House Youth Theatre	NCIL	33,000	0	0	33,000	Ringfenced NCIL	Ringfenced
Knowledge Exchange Mitcham	Grant	266,500	2,737	144,970	118,793	Ringfenced Grant Funded	Ringfenced
Wimb Public Realm Implement	SCIL	58,000	2,257	0	55,743	Relinquished £190k from this scheme and counter terrorism relinquished for Queens Road also relinquished as part of the Reduction meetings in August/September 2023. Queens Road bus lane due for consultation December 2023. Linked to Centre Court redevelopment to mitigate DDA compliance issues and create larger public realm for local economy. On 9 October 2023 the Metropolitan Police Counter Terrorism Unit advised LBM to consider counter terrorism measures for Queens Road <u>Abortive Costs:</u> Survey is already commissioned so will need to be funded from revenue	R
Haydons Rd Public Realm Improv	SCIL	677,060	2,314	0	674,746	To commence early 2024. Scheme has been designed and consulted on with businesses and ward councillors. If not done, reputational impact of no benefit to residents and businesses from Wimbledon stadium CIL receipts. Planning and design complete - Starting works in January - Conway are scheduled to deliver May need to review profile of budget as part of October Monitoring - estimate 50% to move to 2024-25. <u>Abortive costs:</u> Design, engineering and abortive fees of around £7k would need to be charged to revenue	R
Wimbledon Hill Rd	SCIL	92,000	62,732	36,377	(7,109)	Scheme complete, contract inflation still to pay.	Complete
Wimb Vill Herit Led Pblc Realm	SCIL	100,000	17,690	0	82,310	Already relinquished £100k from this scheme as part of the August/September Capital Reduction Meetings. Design / surveys already commissioned. Community engagement and consultation with local councillors already underway. Significant Reputational impact if stopped (significant CIL comes from Wimbledon area). <u>Abortive Costs:</u> Surveys, engineering and design costs of £17,690 would need to be met from revenue.	R
Kenilworth Green/Pocket Park	NCIL	65,000	13,861	12,261	38,878	Ringfenced NCIL	Ringfenced
Thrive - Workshop 305	NCIL	115,600	67,097	0	48,503	Ringfenced NCIL	Ringfenced
Morden TC Improvement	NCIL	100,000	0	0	100,000	Ringfenced NCIL. Recently agreed with LSG as part of Morden strategy, procurement underway.	Ringfenced
Crown Creative Knowledge Exch	SCIL	417,000	161,667	216,973	(1,640)	Part ringfenced grant. SCIL committed as project almost complete.	Ringfenced
Wandle Project	NCILS106	69,030	0	0	69,030	Ringfenced NCIL	Ringfenced
Merton Lost Rivers	SCIL	300,000	4,057	0	295,943	Risk of structures failing and causing severe flooding issues with huge consequences for the Council, private properties and danger to life if not progressed.	R
Civic Pride Pub Realm Improve	LBM Capital	20,000	0	0	0	As part of September 2023 Monitoring £20k has been moved forward from 2024-25 for External Architectural Lighting for Vestry Hall	N/A
Comm Centr Engy Sving Lighting	NCIL	35,000	0	35,000	0	Ringfenced NCIL	Ringfenced
Stouthall	LBM Capital	416,000	0	0	0	Dilapidation required at cessation of lease	N/A
Works to Other Buildings - Capital Building Works	LBM Capital	674,750	267,158	102,869	304,723	This budget is for capital maintenance works, often of a health and safety nature, urgently required to keep a building open or to support business critical operations. Works currently planned from this budget are the replacement of the main roof at the Civic and replacement of the UPS in DC01.	R
Civic Centre Boilers	LBM Capital/Reserves/Ringfenced Grant	2,984,080	0	0	2,984,080	This is largely made up of grant funding and is all needed for the replacement of the Civic Centre boilers with a modern, reliable and low carbon heating system. It is critical for the business that this continues because the current boilers are past the end of their life expectancy.	Majority Ringfenced
Workplace Design	LBM Capital/Reserves	1,054,140	252,172	0	801,968	A portion of this will be needed to replace the carpet on the 7th floor and to pay for the agreed final account for the 7th floor works. The remainder is currently earmarked for the next phase of the modernisation of the Civic, currently the redevelopment of the ground floor public entrance. <u>Abortive Costs:</u> It is envisaged that there would be some additional costs for the works on the 7th Floor which would be funded from this budget	R
Invest to Save - General	LBM Capital	330,140	33,164	81,485	215,491	Invest to save funding which will return revenue savings to the council. Already fully committed for this year to Streetlighting and Solar panels. Removing this would create significant contractual issues.	R
Invest to Save - Photovoltaics & Energy Conservation	LBM Capital	50,000	0	0	50,000	Invest to save funding which will return revenue savings to the council. Already fully committed for this year to Solar panels on council sites.	R
Housing & Sustainable Development		12,228,120	1,395,841	7,910,329	9,521,950		
Total		41,041,620	9,036,188	7,910,329	23,621,153		

Previously Agreed Savings to be replaced

Ref	Description of Saving		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
CH112	Service/Section	Adult Social Care-Merging of older people day opportunities services	180	0	0	0	M	H	SNS2
	Description	Redirect current users of Eastways Day Centre to other services and develop additional service capacity at the Dementia Hub							
	Service Implication Staffing Implications	Consolidation of two services onto one site Reduction in headcount of 9 employees. Secondment of 3 FTE employees to Dementia Hub service provider							
	Business Plan Impact on other Equalities Implications	Building / land could be repurposed to support delivery of strategic priorities. Assumes like for like transport requirement. Saving could be increased if Would require full EQIA in terms of both service changes and staffing implications.							
Total Directorate Savings			180	0	0	0			
Cumulative			180	0	0	0			

Replacement Savings

Ref	Description of Saving		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
CH112R	Service/Section	Adult Social Care- Placements (Replacement Savings)	180	0	0	0	M	M	SNS1
	Description	Shared Lives - increase capacity for replacing traditional forms of care with shared lives. Targeting specifically additional capacity for LD. nominally 5 individuals require change of placement (replaces Eastway saving)							
	Service Implication Staffing Implications	Reduce respite and res care spend and utilise more Shared Lives Shared Lives team to remain part of Housing in immediate future. Project should be manageable within current staff resources. Long term view may be for expansion or partial outsourcing (as other LAs do) in order to provide more variety of service.							
	Business Plan implications Impact on other departments Equalities Implications	Civic Pride (relies on Merton residents becoming Shared Lives Carers and 'mutual benefit') and Sustainable Borough (cost effective solution and alternative to long term traditional care placements) Requires tightening of working relationship between all ASC SW teams and the Shared Lives team in Housing. Potential to grow areas of the business that support a wider range of people with different needs. Specifically targeting LD for both Shared Lives and Short Break respite options. Growing the Older People's offer too. Requires some EIA analysis of current SL customer base as well as SL carer base.							
Total Directorate Savings			180	0	0	0			
Cumulative			180	0	0	0			



Equality Analysis

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

What are the proposals being assessed?	Adult Social Care- Expansion of the Shared Lives service
Which Department/ Division has the responsibility for this?	Adult Social Care, Integrated Care & Public Health

Stage 1: Overview

Name and job title of lead officer	Phil Howell, Assistant Director of Commissioning						
1. What are the aims, objectives, and desired outcomes of your proposal? (Also explain proposals e.g., reduction/removal of service, deletion of posts, changing criteria etc)	<p>Reduce Adult Social Care, respite and residential care spend by expanding and utilising the Shared Lives service to increase the availability of this as an option for vulnerable adults in Merton. The Shared Lives Service is operated and managed within the Housing and Sustainable Development directorate of the council.</p> <p>The commissioned respite and residential care provision in Merton remains a challenging service market with rising costs and lower availability.</p> <p>Shared Lives care offers people an alternative and highly flexible form of accommodation and/or care or support inside or outside the Shared lives carer's home. Shared Lives arrangements are set up and supported by the Merton Shared Lives scheme and the care and accommodation people receive is provided by ordinary individuals, couples or families in the local community. This alternative enables individuals taking up a Shared Lives opportunity and the Shared Lives carer/s to enjoy shared activities and life experiences.</p> <p>Shared Lives enables a range of vulnerable people to live independent lives, have their health and well-being promoted and can reduce the need for admission to hospital or residential care (for example through 'Home from Hospital ' services). The scheme can also support young people in their transition to adulthood. The opportunities that Shared Lives has to offer are greatly valued by both people using the service and by family carers and commissioners.</p> <p>The current service users could be grouped as follows;</p> <table border="1" data-bbox="697 1344 1541 1468"> <tr> <td>Mental Health</td> <td>35</td> </tr> <tr> <td>Learning Disability</td> <td>6</td> </tr> <tr> <td>Mental Health/Learning Disability</td> <td>2</td> </tr> </table>	Mental Health	35	Learning Disability	6	Mental Health/Learning Disability	2
Mental Health	35						
Learning Disability	6						
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	<table border="1" data-bbox="701 110 1541 196"> <tr> <td>Hospital Discharge</td> <td>2</td> </tr> <tr> <td>Long Term</td> <td>5</td> </tr> </table> <p>A recruitment campaign is required to expand the current Shared Lives capacity to recruit and approve more shared lives carers able to support people with a learning disability would widen the provision of respite ad long term placements. An alternative approach is to commission the service. Expansion of the current service could potentially deliver a saving quicker than commissioning it in the short term. The Shared Lives service costs are lower than purchased respite and residential care for people with learning disabilities, young people in transition, people with a physical disability, and people with mental health needs.</p> <p>Research undertaken as long ago as 2013 by the National organisation, Shared Lives Plus showed that Shared Lives costs less than other forms of care: on average £26,000 a year less for people with learning disabilities (£8,000 less for people who need support with their mental health). On current costs we expect to save £180k fin placement costs from a modest expansion of Shared Lives capacity in particular from serving more people with a learning disability.</p>	Hospital Discharge	2	Long Term	5		
Hospital Discharge	2						
Long Term	5						
2. How does this contribute to the council's corporate priorities?	This proposal supports a sustainable future for ASC and Merton by enlarging the choice of accommodation and support available to vulnerable adults and enabling their presence and contribution to their local community as well as providing opportunities for people to become paid shared lives carers.						
3. Who will be affected by this proposal? For example, who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>Merton Shared Lives is a well-established Scheme, in existence since 2008, and received a 'good' rating across all 5 areas: safe, effective, caring, responsive and well-led from CQC following their inspection in September 2017.</p> <p>The Shared Lives Team establishment consists of 1 full time Team Manager, 2 full time Shared Lives Officers and 1 full time Shared Lives Coordinator</p> <p>The Merton Shared Lives Scheme currently had 17 Shared Lives Carers providing placements for the Scheme. Many of the Carers have worked with Merton for in excess of 15 years.</p> <p>The Merton Shared Lives Scheme offers 2 different types of arrangements: On-site and Off-site. An on-site arrangement is where a Shared Lives Carer offers accommodation and support to an individual in their own home. An off-site Shared Lives arrangement is where a Shared Lives Carer offers accommodation and floating support in a second home, which they own or rent.</p> <p>The Merton Shared Lives Scheme has 31 on-site placements and 23 off-site placements, totalling 54 placements meeting the following service user groups;</p> <p>Service user group</p> <table border="1" data-bbox="701 1317 1541 1463"> <tr> <td>Mental Health</td> <td>35</td> </tr> <tr> <td>Learning Disability</td> <td>6</td> </tr> <tr> <td>Mental Health/Learning Disability</td> <td>2</td> </tr> </table>	Mental Health	35	Learning Disability	6	Mental Health/Learning Disability	2
Mental Health	35						
Learning Disability	6						
Mental Health/Learning Disability	2						

		Hospital Discharge	2	
		Long Term	5	
4. Is the responsibility shared with another department, authority, or organisation? If so, who are the partners and who has overall responsibility?	The Merton Shared Lives Scheme is an in house service managed within Housing and Sustainable Development. ASC refer people with assessed eligible 2014 Care Act needs for support and accommodation to the service and a joint panel process operates.			

Stage 2: Collecting evidence/ data

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

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

The proposal will have a beneficial impact on the protected characteristics (equality groups) through the increased availability of the scheme.

Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Disability	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Gender Reassignment	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Marriage and Civil Partnership	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Pregnancy and Maternity	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Race	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Religion/ belief	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Sex (Gender)	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
Sexual orientation	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community

Socio-economic status	✓			✓	Increased availability of a more appropriate, personalised, and cost effective service provision within their local community
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7. If you have identified a negative impact, how do you plan to mitigate it?

None required

Stage 4: Conclusion of the Equality Analysis

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

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

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

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

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

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g., performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Expansion of the service is managed to protect the current level of support to shared lives cares and service users.	A project governance and plan to manage the expansion and any investment in staffing will be established to oversee this work and manage any risks arising.	The project will be part of the ASC Toward Outstanding Programme and monitored via TOP and involve Housing colleagues, the Service manager, staff, shared lives carers and current service users	1 st October 2023	Any expansion of staffing will be funded from savings generated.	Phil Howell	Yes



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

Stage 6: Reporting outcomes

10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 1 Assessment

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Keith Burns	Signature: 	Date: 20.10.23
Improvement action plan signed off by Director/ Head of Service	John Morgan	Signature: 	Date: 20/10/2023

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Committee: Cabinet

Date: 16th November 2023

Wards: All

Subject: Council Tax Support Scheme 2024/25

Lead officer: Asad Mushtaq, Executive Director of Finance and Digital

Lead member: Councillor Billie Christie

Contact officer: Rebecca Dodd, Head of Benefits

Recommendations:

1. That the updating revisions for the 2024/25 council tax support scheme detailed in the report be agreed, in order to maintain low council tax charges for those on lower incomes and other vulnerable residents.
 2. That Council agrees the proposed revisions to the 2024/25 scheme.
-

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. This report details the proposed revisions to Merton's adopted council tax support scheme to ensure that the level of support awarded stays in line with the old council tax benefit scheme had it continued and therefore residents are not worse off due to the new scheme.

1.2. That Council agrees to implement recommendation 1 and 2.

2. DETAILS

2.1. Council Tax Support Scheme 2024/25

2.1.1. As part of the Spending Review 2010, the Government announced that it intended to localise council tax benefit (CTB) from 1 April 2013 with a 10% reduction in expenditure. These plans were included as part of the terms of reference for the Local Government Resource Review and the then Welfare Reform Bill contained provisions to abolish CTB.

2.1.2. Following a formal consultation exercise full Council agreed on the 21 November 2012 to absorb the funding reduction and adopt the prescribed default scheme in order to maintain low council tax charges for those on lower incomes and other vulnerable residents. CTB was formally abolished with effect from 1 April 2013

2.1.3. Council have subsequently agreed to continue with the same scheme, subject to revisions on an annual basis for 2014/15, 2015/16, 2016/17, 2017/18, 2018/19, 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24.

2.1.4. The Government have stated that under the new local council tax support scheme pensioners must not be worse off and that existing levels of support for them must remain and this protection will be achieved by keeping in place existing national rules, with eligibility and rates defined in Regulations broadly similar to those that previously existed. This is known as the Prescribed Pensioners scheme.

- 2.1.5. When full Council adopted the Government's default scheme in November 2012 it was not clear what would happen with regards to the uprating of the default scheme from April 2014 onwards. Advice received from the then Department of Communities and Local Government (DCLG) at the end of September 2013 stated that if a Council did not formally agree a revised scheme for the following financial year which would include any "uprating" then its local scheme for the previous year would automatically become its default scheme and as a consequence the "uprating" would not take place and many residents would face an increased council tax bill.
- 2.1.6. In 2021/22, the Government introduced increases to disregarded earnings and grants and loans for the self-employed to support people during the COVID-19 pandemic. These resulted in increases to Universal Credit and other DWP benefits which reduced council tax support for our residents. The Council awarded the difference in the form of a hardship reduction as part of the Council Tax Hardship facility; however the Council was unable to amend the disregards set out in the Council Tax Support Scheme.
- 2.1.7. The rules of the scheme for 2021/22 were amended and agreed by full Council to permit any in year changes if the Government made any in year changes to disregards or elements of the Housing Benefit scheme or Prescribed Pensioners scheme that will benefit residents.
- 2.1.8. Any in year changes will be approved by the Section 151 officer of the Council. However, the Council's decision making process will be followed for any changes.
- 2.1.9. This means that if Merton wants to continue with its council tax support scheme which is broadly similar to the old council tax benefit scheme it would have to formally consult and agree on the revised "uprating" each year. Merton has subsequently agreed this approach in prior years and is now seeking agreement to the same for 2024/25.
- 2.1.10. It is estimated that if the uprating was not applied the expenditure of the scheme, if everything else remained constant, would be approximately cost neutral. Increases in payments for non-dependants living in households would not be applied and some residents receiving disability benefits or premiums could face higher council tax bills.

2.2. Council Tax Support Scheme 2024/25

- 2.2.1. Each year the Government "uprate" the housing benefit scheme and the prescribed Council Tax Support scheme for pensioners. This is where state pensions and benefits are increased by a set percentage and the Government also increase the applicable amounts and personal allowances (elements that help identify how much income a family or individual requires each week before their housing benefit starts to be reduced) and also non dependant adult deductions (the amount an adult who lives with the claimant is expected to contribute to the rent and/or council tax each week).

2.2.2. The Government have also previously introduced new elements to the housing benefit scheme and pensioner scheme which can affect entitlement. These introductions are often made after Council has agreed the CTS scheme for the following year. For example, on 12th February 2022 the Government introduced [new legislation](#) which introduced the £150 energy rebate. This was introduced after Council agreed the scheme in November 2021 but before the new scheme began on the 1st April 2022. The changes to the scheme will include any changes affecting CTS entitlement under new legislation and changes to the pensioner scheme and Housing Benefit Scheme after Council have agreed the scheme and before the scheme commences on 1st April 2024.

2.2.3. The Government will uprate the housing benefit scheme from the 1 April 2024 and the detail of this process is unlikely to be known until early December 2023. The Government will also uprate the prescribed pensioner scheme for council tax support from 1 April 2024, with the details announced in December 2023. Once the detailed information is known it is proposed to use the data from these to uprate the council tax support scheme.

2.2.4. The new council tax support scheme will be effective from the 1 April 2024

2.2.5. Full details of the responses to the consultation are included in Appendix 3.

3. ALTERNATIVE OPTIONS

3.1. The only alternative option for the Council Tax Support Scheme based on the consultation undertaken would be not to revise it and not uprate the scheme and continue with the existing scheme. This would result in some of the poorest residents facing increased council tax bills from April 2024.

4. CONSULTATION UNDERTAKEN OR PROPOSED

4.1. A formal consultation exercise regarding the proposed revision of the scheme was undertaken between 16 August 2023 and 10 October 2023. The consultation was on 2 options which are detailed in the briefing paper in Appendix 1. Twenty two responses were received, 15 preferred Option 1, to apply the uprating, and 7 preferred Option 2, not to apply the uprating. Of the responses, 10 people indicated that they were in receipt of council tax support.

4.2. The Council has also consulted with our major precepting authority, the Greater London Authority (GLA). The GLA have acknowledged the Council's proposal and is content to endorse Merton's preferred option 1 and would encourage the Council to take a proactive approach to informing those council tax support claimants facing difficulties paying council tax bills about the help available, particularly in light of the current cost of living difficulties Londoners are faced with.

5. TIMETABLE

5.1. The key milestones for council tax support scheme are detailed below:

Task	Deadline
Consultation with public and precepting authority on proposed change to the scheme	16 August 2023 to 10 October 2023
Report to LSG and Cabinet for agreement to proposed change to the scheme	November 2023
Detailed analysis of the housing benefit and prescribed pensioner schemes uprating to establish exact parameters to be applied for the uprating of the council tax support scheme	December 2023– or as soon as the information is available from the DWP
Full Council approval	7 th Feb 2024
Testing of IT software for amended scheme	February 2024
Deadline for agreement of amended scheme	10 March 2024
Implement revised scheme	1 April 2024

6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Based on levels of council tax support, as at October 2023, it is estimated that £13.141 million will be granted in council tax support for 2024/25 assuming a 5% increase (Council Tax Referendum Limit) in council tax from April 2024. This figure includes the Greater London Authorities share of the scheme (£3.028 million), the cost for Merton is estimated at £10.113 million.
- 6.2. The council has recently submitted its Council Tax Base Return (CTB) to Government. This is based as at October 2023 and incorporates the latest information on council tax support and discounts and exemptions. This will be used to calculate the Council Tax Base for 2024/25 and the Medium Term Financial Statement 2022-2026 will be updated as appropriate during the budget process.
- 6.3. The level of reduction in Council Tax Base due to the Council Tax Support Scheme has decreased from last year and is the highest decrease since the scheme began. The adjustment for reduction in tax base as a result of local council tax support since the scheme was introduced is summarised in the table below:

CTB year	Reduction in Council Tax Base due to Local Council Tax Support Scheme	Change in CT Base	Yr..on Yr. % Change
CTB Oct.2013	10,309.31		
CTB Oct.2014	9,686.64	(622.67)	-6.04%
CTB Oct.2015	9,099.90	(586.74)	-6.06%
CTB Oct.2016	8,639.20	(460.70)	-5.06%
CTB Oct.2017	8,192.10	(447.10)	-5.18%
CTB Oct.2018	8,177.10	(15.00)	-0.18%
CTB Oct.2019	7,688.10	(489.00)	-5.98%
CTB Oct.2020	8,320.70	632.60	8.23%
CTB Oct.2021	8,086.00	(234.70)	-2.82%
CTB Oct.2022	7,462.06	(623.94)	-7.71%
CTB Oct.2023	7,220.00	(242.06)	-3.24%

7. LEGAL AND STATUTORY IMPLICATIONS

- 7.1. Under the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012, ("the Act") every billing authority in England is required to make a Council Tax Reduction Scheme (CTRS). Merton refers to its CTRS as its Council Tax Support Scheme.
- 7.2. Each financial year every billing authority in England is required to consider whether to revise or replace its CTRS. The Act imposes certain procedural requirements which must be satisfied before a billing authority can make any revisions, including a requirement to consult persons who are likely to have an interest in the operation of their CTRS.
- 7.3. The statutory consultation is intended to ensure public participation in the decision-making process. In determining what revisions, the Authority should make to its CTRS, if any, it must have regard to the requirements of the Act, including the outcome of the consultation and the public sector equality duty referred to below. The outcome of the consultation is considered elsewhere in this report.
- 7.4. If the Authority's CTRS is to be revised as proposed the decision to do so must be made by Full Council no later than 10 March 2024 to enable the revisions to come into force on 1 April 2024.
- 7.5. As with any public law decision of the Authority it may be challenged by way of an application for judicial review.
- 7.6. If the revised scheme is not agreed by 10 March 2024, then the scheme the Council administered for the previous year (2023/24) would become the default scheme for 2024/25.

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. A formal consultation exercise has been undertaken. The results of this are detailed in section 4 above.
- 8.2. Any changes to the council tax scheme which results in reductions of support will mean some residents facing an increase in their council tax bills. Some of these residents, due to the yearly uprating undertaken by the DWP, would not have previously been faced with increased council tax bills. In the past it has sometimes proved difficult in collecting council tax from residents who are on limited income and or benefits.
- 8.3. In considering the proposed revisions to the Council Tax Support Scheme, upon which the Authority is required to consult, the Council must consider the Council's Public Sector Equality Duty under Section 149 of the Equalities Act 2010 and to have due regard to the need to:
 - a) Eliminate unlawful discrimination, harassment and victimisation
 - b) Advance equality of opportunity between persons who share a protected characteristic and persons who do not, and
 - c) Foster good relations between people who share a protected characteristic and those who do not.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purpose of this report.

10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. The Council will need to continue to closely monitor the cost of the council tax support scheme to ensure it is affordable for future years. Although in previous years we have not seen an increase in caseload, it is possible that the full impact of the welfare reform could result in more families located in inner London moving into Merton which would result in an increase in council tax support expenditure.
- 10.2. Additionally, the applicable amounts and personal allowances used to calculate the local council tax reduction, may rise to match inflation. This may increase the number of residents who are entitled to CTS if wages do not rise in line with inflation. The council tax support expenditure for 2024/25 could further increase if there is an increase in claims. The current economic climate is volatile given the impact of increasing inflation, particularly in energy costs. Unemployment rates are currently low, but many claimants are working and any increase in benefit allowances will mean more people may qualify under the new rates.

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

- 11.1. Appendix 1 Consultation briefing paper
- 11.2. Appendix 2 Equalities Impact Assessment
- 11.3. Appendix 3 Consultation comments from respondents

12.BACKGROUND PAPERS

None

Appendix 1 - Council Tax Support update for 2024/25

Merton's Council Tax Support Scheme (CTS) was developed in 2012 after it was announced that the Government's Council Tax Benefit (CTB) scheme would be replaced by individual CTS schemes run by local authorities from April 2013. The Government decided that pensioners would not be worse off under any local council tax support schemes. To achieve this, the Government continued with a prescribed CTS scheme for pensioners (where the entitlement is determined by regulations). The local CTS scheme for working age residents is up to each Local Authority to decide. The decision-making process must include consultation with interested parties.

Since then, Merton's CTS scheme for working age residents has mirrored the Government's prescribed scheme for pensioners. This ensures that that residents would get the same rate of CTS had CTB continued and that working age residents receive a similar level of support as pensioners. Merton has also decided to propose the continuation of that principle for the 2024/25 scheme.

Additionally, every year national benefits and tax credits for working age people are reviewed by the Government. These adjustments are not always known in advance of the scheme being set by Merton. These reviews can result in increases, decreases or indeed no change to the amount of:

- HB
- Prescribed CTS scheme and
- national welfare benefits, tax credits, grants and loans.

To ensure the principle of mirroring the scheme continues, several changes are required to the existing scheme from 2023/24 and therefore we are consulting on these proposed changes.

We are consulting on the following options:

Option 1 – To incorporate any changes made to the HB scheme and the prescribed Council Tax Reduction scheme for pensioners during the 2023/2024 financial year including all revisions required to give effect to amendments made by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, as amended, or otherwise. Additionally, the scheme will retain the option to make changes within the year the scheme applies where changes are made to HB scheme, prescribed Council Tax

Reduction scheme and national welfare benefits, tax credits, grants and loans, where it affects the award of CTS:

This is the Council's preferred option. It allows Merton to amend the scheme in line with these changes made by the Government at a national level, at any time during the financial year to which it applies. These in year changes will be approved by the Section 151 officer responsible for the proper administration of the council's affairs. The Section 151 officer can also refer the decision to Cabinet.

The effect of this will be that:

1. Any national changes which affect the award of CTS such as equivalent applicable amounts, personal allowances, non-dependant deductions and disregards, may be reflected in the CTS scheme. This includes those changes already known and any which occur in the year the CTS scheme applies. This includes beneficial and non-beneficial changes and allows for consideration of the financial impact to the Council and its residents. It also includes any schemes introduced by central government after this consultation has taken place.
2. There may be changes announced which are beneficial to claimants which we would not be able to introduce until the following year if Option 2 is the selected option.

Broadly speaking Option 1 means the claimant would receive the same amount of Council Tax Support as they would have done under the Government's previous Council Tax Benefit scheme, providing circumstances remain the same. It will allow the Council to decide how changes made to the HB scheme, prescribed Council Tax Reduction scheme and national welfare benefits, tax credits, grants and loans, should be treated under the CTS for Merton.

Option 2 - Continue to award Council Tax Support based on the current scheme, including the current rates of applicable amounts, personal allowances and non-dependent deductions. Not make technical adjustments to the scheme to bring it in line with the HB scheme, prescribed Council Tax Reduction scheme and national welfare benefits, tax credits, grants and loans.

The effect of this will be that:

1. if the national applicable amounts, personal allowances and disregards are increased these would remain the same in the CTS scheme and therefore the claimant would not get

as much Council Tax Support compared to the amount they would have got under the Government's old scheme.

2. if the national applicable amounts, personal allowances and disregards are decreased these would remain the same in the CTS scheme and therefore the claimant would more Council Tax Support compared to the amount they would have got under the Government's old scheme.
3. Not making the changes will leave the council tax support scheme misaligned with the prescribed pensioner scheme and HB scheme.

Merton's current scheme will become our default scheme for 2024/25 if no changes are required or full Council do not agree a new scheme.

Appendix 2 - Equality Impact Assessment



What are the proposals being assessed?	Council Tax Support Scheme for 2024/25
Which Department/ Division has the responsibility for this?	Corporate Services / Resources

Stage 1: Overview	
Name and job title of lead officer	Rebecca Dodd, Head of Benefits
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>Agree the Council Tax Support scheme for 2024/25.</p> <p>The national Council Tax Benefit (CTB) scheme ended on 1st April 2013 to be replaced by a locally determined system of Council Tax Support. The funding available for the new scheme will be cash limited and be determined by the Council.</p> <p>The aim of the council tax support scheme is to provide financial assistance to council taxpayers who have low incomes. Persons who are of state pension credit qualifying age are protected under the scheme in that the calculation of the support they are to receive has been set by Central Government. For working age applicants however, the support they receive is to be determined by the local authority.</p>
2. How does this contribute to the Council's corporate priorities?	Ensures that residents on low income are supported by the Council with help with their council tax
3. Who will be affected by this proposal? For example, who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>Working age local residents currently in receipt of council tax support, working age residents who will apply for council tax support within the financial year.</p> <p>Pension age residents receive support based on the Government Prescribed scheme.</p>
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	The Council collects a council tax precept for the Greater London Authority from all residents. The amount of council tax support granted affects the level of the precept collected for the Greater London Authority.

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Stage 2: Collecting evidence/ data

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

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

The Council has continued to base its local council tax support scheme on the Government's previous Council tax benefit scheme. This has ensured that working age residents have not had to contribute more towards council tax since the localization of the scheme.

This has ensured that the working age, disabled, families and the less well off all continue to receive up to 100% council tax support based on their circumstances and income.

It also ensures parity between working age and pension age residents, with no group being unequal in entitlement to Council Tax Support.

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Stage 3: Assessing impact and analysis

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

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced - Neutral impact for pension age claimants as the Government have stipulated this group must have their claims assessed
Disability	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced
Gender Reassignment	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced
Marriage and Civil Partnership	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced

Pregnancy and Maternity	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced
Race	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced
Religion/ belief	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced
Sex (Gender)	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced
Sexual orientation	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced
Socio-economic status	✓			✓	Positive impact for all working age claimants – the level of council tax support will not be reduced

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

N/A

Stage 4: Conclusion of the Equality Analysis

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

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

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

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

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

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

Stage 5: Improvement Action Pan

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

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

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

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

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Stage 6: Reporting outcomes


10. Summary of the equality analysis

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

This Equality Analysis has resulted in an Outcome 1 Assessment

There is potential negative impact on the SMEs that do not meet the Government criteria. Local equality data needs to be collected at the application stage to give a better picture of the types of businesses applying for the grant or may be ineligible for the grant.

Stage 7: Sign off by Director/ Head of Service

Assessment completed by	Rebecca Dodd – Head of Benefits	Signature: 	Date: 18 October 23
Improvement action plan signed off by Director/ Head of Service	Roger Kershaw – Assistant Director Resources	Signature:	Date:

Council Tax Support Scheme 2023 – 2024-25 scheme consultation results:

Options consulted on:	Number of responses for option
<p>Option 1 – To incorporate any changes made to the HB scheme and the prescribed Council Tax Reduction scheme for pensioners during the 2023/2024 financial year including all revisions required to give effect to amendments made by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, as amended, or otherwise. Additionally, the scheme will retain the option to make changes within the year the scheme applies where changes are made to HB scheme, prescribed Council Tax Reduction scheme and national welfare benefits, tax credits, grants and loans, where it affects the award of CTS:</p>	<p>15 (68.18%)</p>
<p>Option 2 - Continue to award Council Tax Support based on the current scheme, including the current rates of applicable amounts, personal allowances and non-dependent deductions. Not make technical adjustments to the scheme to bring it in line with the HB scheme, prescribed Council Tax Reduction scheme and national welfare benefits, tax credits, grants and loans.</p>	<p>7 (31.82%)</p>

Comments from respondents:

Response
<p>As more and more of us, cannot afford sufficient food. This becomes more vital!</p>
<p>I Support option 1 because where possible non-dependents should increase their contribution if their income permits.</p>
<p>I think it is important, and appreciate that the council agrees, that CTS for non-pensioners should provide support broadly equivalent to what would have been provided by CTB. People eligible for CTS will, by definition, have little money as it is, so obliging them to contribute when they have minimal income, will only push already vulnerable people into debt. By providing CTS for up to 100% for non-pensioners, you will help to avoid residents from sliding into debt, which is in no-one's interest.</p>
<p>Option 1 would give the council the opportunity to apply the maximum amount of uprated support to the benefit of the claimant. This is especially important at this difficult time where council tax is so expensive, and the benefits received do not cover the amount payable.</p>
<p>Thank you for consulting with us, hopefully this will ensure those who use the scheme are able to have their say. Needs to be more widely advertised that</p>

this consultation is in fact taking place. Maybe writing to those in receipt of it directly, would also be an option as well as online responses. Older/vulnerable recipients of council tax support may not be able to/have access to/know about this consultation online. All of those who receive it, should be directly notified. Resources permitting. Thank you

The criteria used to assess what Council tax support is given isn't straightforward and doesn't reflect the challenges residents face day to day. It puts the vulnerable off asking for help.

Liberal Democrat members' response:

See Annex 1 – response from the Liberal Democrats in Merton

Conservative members' response:

Merton Conservatives support option 1 of the Council Tax Support Scheme update for 2024/25.

The Greater London Authority response:

See Annex 2 Greater London Authority response:

Annex 1 – response from the Liberal Democrats in Merton

Council Tax Support scheme consultation 2024/25

The Council's 2024/25 consultation document, as in previous years, asks residents to choose between two options.

The first option enables the Council to vary the scheme to keep it in line with any changes the Government makes to the underlying rules and monetary amounts of the underlying welfare benefits.

The second option freezes the scheme at its 2022/23 values.

Given this binary choice option 1 is preferable

However once again the opportunity has been missed to include a third option in which residents could express a preference for the scheme to be reviewed and updated to reflect the current realities of stagnating or falling real incomes and the cost-of-living crisis.

Merton Liberal Democrats believe it is time for a new approach. We have repeatedly asked that new thinking be applied to this scheme. We pressed for urgency last year, given the Truss mini-budget and financial meltdown that ensued and the cost-of-living crisis that hit and continues to hit many of our residents. Each time we have been told by the administration that the Merton scheme devised in 2012 is generous and fit for purpose. In effect, telling residents they should be grateful for what the council sees fit.

This is not good enough. Residents need the council to take a fresh look at the eligibility criteria – so that more people are helped to live in a more financially stable way. They need a better targeted, inclusive scheme that limits the administrative burden on both the council and residents. Simply rolling forward the same Council Tax Scheme formulated in 2012, without addressing the current and worsening cost of living crisis is an inadequate response. Neither option 1 nor 2 in the consultation document reflects the harsh economic realities facing a growing number of residents who now need help.

As the council's consultation briefing acknowledges, Council Tax Benefit (CTB), the national system of support for Council Tax bills, was localised and replaced in England by what is now known as Council Tax Reduction or Support in April 2013. Such schemes reduce, sometimes to zero, the amount of Council Tax which a household has to pay. English councils were left to devise their own schemes for working-age residents. The full protection for pensioners provided by CTB remained a requirement of each local scheme. Councils were advised to devise schemes that encouraged work and which protected the vulnerable; however, ***defining 'vulnerable' was at the discretion of each local authority.***

This last point is **our first ask** and what we need the council to review. Those who could be considered **'vulnerable'** in 2013 have expanded and bring different people in 2023. As we said last year, the cost-of-living emergency is impacting almost everyone, in ways previously thought unimaginable. People beyond traditional

benefit boundaries are in financial peril – food and fuel poverty are a daily reality for many, with the added strain of keeping a roof over their head.

In addition to an expanded, better targeted scheme, residents also need an easy to understand and apply to scheme. Merton council stated in Building a Better Merton Together - Council Plan 2023-26 that “We will put residents at the heart of everything we do, and be responsive and resident-centric in our approach to customer service, communication and engagement”

Our second ask is therefore for the council to demonstrate this commitment by publishing in plain language what the entitlement criteria is for the scheme, alongside making available a benefits calculator to enable people to quickly assess whether to apply to the scheme or not. This would also assist those colleagues working with residents to quickly identify what their full benefit entitlement would be.

Agreeing to our **two asks** would be a tangible and practical demonstration of the council’s aspirations for Equality, Diversity and Inclusivity across the borough. And it need not be a resource intensive process – other councils have worked with specialist providers to devise a complete claim solution with full integration with back-office systems.

In summary, we call on the Council again to be bold and innovative in developing an expanded Council Tax Support scheme to reach those residents who were just about managing, but are no longer doing so, and those who have additional needs that may be exacerbated by the crisis.

Liberal Democrats Merton

10 October 2023

Annex 2 Greater London Authority response:

Thank you for your email on 18 August informing the GLA about the council's consultation on proposals for the draft council tax support (CTS) scheme for 2024-25. The draft scheme options consulted on are summarised in this letter. This letter sets out the GLA's response to the consultation.

Introduction

As in previous years, the GLA recognises that the determination of council tax support schemes, under the provisions of the Local Government Finance Act 2012, is a local matter for each London borough. Individual schemes need to be developed which have regard to specific local circumstances, both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and, more generally, the financial impact on the council and local council tax payers – and therefore the final policies adopted may, for legitimate reasons, differ across the capital's 33 billing authorities.

This fact notwithstanding the GLA also shares in the risks and potential shortfalls arising from the impact of council tax benefit localisation in proportion to its share of the council tax in each London billing authority. It is therefore important that we are engaged in the scheme development process and have an understanding of both the factors which have been taken into account by boroughs in framing their proposals, as well as the data and underlying assumptions used to determine any forecast shortfalls which will inform the final scheme design.

Framing Proposals

As part of the introduction of council tax support in 2013-14, the Government set out its expectation that, in developing their scheme proposals, billing authorities should ensure that:

- Pensioners see no change in their current level of awards whether they are existing or new claimants;
- They consider extending support or protection to other vulnerable groups; and
- Local schemes should support work incentives and, in particular, avoid disincentives to move into work.

The GLA concurs with those general broad principles and would encourage all billing authorities in London to have regard to them in framing their schemes.

Proposed Options for 2024-25 Scheme

The London Borough of Merton has had a commitment since the localisation of council tax support (CTS) to keep the Borough's local scheme for non-pensioners aligned to the Government's prescribed CTS scheme and the Housing Benefit (HB) scheme. The intention is that residents should get broadly the same level of CTS as they would have done if Council Tax Benefit (CTB) still existed.

Having regard to the above commitment the council is consulting on two options relating to updating the scheme for 2024-25. These options are as follows:

1	<p>Option 1 – To incorporate any changes made to the Housing Benefit (HB) scheme and the prescribed Council Tax Reduction scheme for pensioners during the 2023/2024 financial year including all revisions required to give effect to amendments made by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, as amended, or otherwise. Additionally, the scheme will retain the option to make changes within the year the scheme applies where changes are made to HB scheme, prescribed Council Tax Reduction scheme and national welfare benefits, tax credits, grants and loans, where it affects the award of CTS.</p>
2	<p>Option 2 - Continue to award Council Tax Support based on the current scheme, including the current rates of applicable amounts, personal allowances and non-dependent deductions. Not make technical adjustments to the scheme to bring it in line with the HB scheme, prescribed Council Tax Reduction scheme and national welfare benefits, tax credits, grants and loans.</p>

The GLA notes that Option 1 is the council's preferred option. The effect of this option would be that:

- any changes made to the Government's schemes would be reflected in the local council tax support scheme. This includes the rules relating to claiming and who is eligible to claim as well as increases or decreases in student income, applicable amounts, personal allowances and deductions for non dependant adults used to calculate entitlement to local CTS.
- the council will maintain the policy not to restrict applicable amounts to two dependant children - this will give higher awards than the equivalent prescribed scheme and HB scheme.
- the remaining rules in the CTS scheme will stay aligned to the prescribed Local Council Tax reduction scheme and the Housing Benefit regulations.

The alternative Option 2 would continue to award Council Tax Support based on the current scheme, including the current rates of applicable amounts, personal allowances and non-dependent deductions. The effect of this option will be that:

- the applicable amounts and personal allowances would remain the same and therefore the claimant would receive a reduced award of Council Tax Support compared to the amount they would have got under the Government's previous Council Tax Benefit scheme.
- where a claimant has non-dependents living with them, the amount that the non-dependents are expected to contribute would not increase and they would be better off than previous years;
- the CTS scheme will not match the rules applicable to the prescribed scheme and the Housing Benefit scheme.
- the council will maintain the policy not to restrict applicable amounts to two dependant children - this will give higher awards than the equivalent prescribed scheme and HB scheme.

Under both option 1 and 2, the Council retain the change made by it in 2022-23, to enable the council to make changes mid year which enables us to reflect mid-year changes to the prescribed scheme and Housing Benefit by the government.

Option 1 would, in broad terms, ensure that, providing a household's circumstances remained the same, a claimant would receive the same level of CTS as they would have done had the former default council tax benefit scheme continued. If Option 2 were adopted, applicable amounts and personal allowances would remain the same in 2024-25 as in 2023-24, and therefore the claimant would receive a reduced award of CTS compared to the amount which would be received had the scheme been updated, as in Option1.

The GLA acknowledges that local authorities face difficult choices on CTS schemes, as overall funding from central government was reduced in the years immediately after the introduction of localised council tax support in 2013-14. Funding for CTS is also no longer identifiable within the local government finance settlement and allocations across the country have not therefore kept paced with or been updated to reflect relative changes in claimant numbers. The fair funding review of needs and distribution may also be implemented in the next parliament.

The GLA notes, the council has committed to maintaining the principle of mirroring the existing scheme, despite uncertainty over future funding levels. Furthermore, the council will continue its policy of not restricting applicable amounts to two dependant children only. These commitments are welcomed by the GLA.

In light of the above factors, the GLA is content to endorse Option 1, the Council's preference for the 2024-25 scheme, recognising that the proposed scheme is in accordance with the general principles set out by Government (as listed above).

Providing Information on Schemes

Whilst we recognise that the detailed rules on council tax support schemes are inevitably complex, the GLA would encourage all boroughs to make every effort to set out information on their schemes as clearly as possible. Information that may help potential claimants could include an online calculator, to identify whether potential claimants are likely to be entitled to support, as well as 'Frequently Asked Questions' and a summary document outlining concise details of the scheme. In addition, for existing claimants, we would encourage boroughs to consider how the process for reporting changes in circumstances can be made as straightforward as possible. We recognise this is less critical for councils such as Merton adopting the default scheme.

Setting the Council Tax Base for 2024-25 and Assumptions in Relation to Collection Rates

The council will be required to set a council tax base for 2024-25 taking into account the potential impact of the discounts the council may introduce in respect of council tax support and any potential changes the council may implement regarding the changes to the treatment of second and empty homes.

The council will need to make a judgement as to the forecast collection rates from those claimants and council taxpayers affected by any changes to council tax support.

The GLA would encourage the council to provide it with an indicative council tax base forecast as soon as options are presented to members for approval, in order that it can assess the potential implications for the Mayor's budget for police, fire and other services for 2024-25. This should ideally be accompanied by supporting calculations disclosing any assumptions around collection rates and discounts granted having regard to the final council tax support scheme design.

Collection Fund Forecast Outturn for 2023-24

By 24 January 2024, the council is required to notify the GLA of its forecast collection fund surplus or deficit for 2023-24, which will reflect the cumulative impact of the localisation of council tax support since it was introduced in 2013-14. The GLA would encourage the council to provide it with this information as soon as it is available.

I would like to thank you again for consulting the GLA on your proposed council tax support options for 2024-25.

Yours sincerely

[Martin Mitchell](#)
Finance Manager

Committee: Cabinet

Date: 16 November 2023

Wards: All

Subject: Mid-year Treasury Management Performance Report for 2023/24 as at 30 September 2023

Lead officer: Roger Kershaw - Director of Finance and Digital

Lead member: Councillor Billy Christie – Cabinet Member for Finance and Corporate Services

Contact officer: Nemashe Sivayogan- Head of Treasury and Pensions

Recommendations:

- A. That Cabinet note the update on Treasury Management performance for the half year to 30 September 2023 and agrees to submit this update to Full Council

 - B. That Cabinet agrees to recommend to Council that it delegates authority to the Executive Director of Finance and Digital (S151 officer) to make short term treasury investment decisions not otherwise currently authorised by the Council's Treasury Management Strategy based on current market conditions/interest rates movements and funds availability to maximise the investment returns. The Annual Treasury Management Strategy for FY2024/25 will be presented to the Council in March 2024.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report provides an update on Treasury Management performance for the half year to 30 September 2023. The last performance update report was presented to the Cabinet on the 18 July and covered the full year to 31 March 2023.

- 1.2. Since the beginning of the Covid-19 outbreak and continued lockdowns the Council took a precautionary move and held most of its cash in liquid form. Cash was placed in money market funds which gave us instant liquidity and security.

- 1.3. The BOE base interest has continued to rise during the period resulting in rising interest rate/return on fixed deposits and other cash investments. The current investment strategy has limitations on the amount and duration of our deposits together with approved counter parties.

- 1.4. There have been significant developments in the first half of the year. £38m of long-term Public Works Loan Board (PWLB) debt was settled early on the 6th April 2023 (funded by CHAS sales proceeds) with the remaining £13.7m balance naturally maturing at the end of the financial year, 31st March 2024. In addition we allocated £87.035m of the proceeds from the sale of CHAS to long-term

government bonds in June 2023. Another long-term loan, this time a LOBO loan held with Bayerische Landes Bank was settled early on the 28th September 2023 as both options were exercised, Bayerische wished to increase the rate from 4.9% to 6.5% and Merton exercised their right to redeem (in accordance with our practice). These events have significantly reduced the council's debt portfolio and therefore debt interest commitment. In the case of Bayerische the LOBO originally had a maturity of 28th March 2062. In redeeming the LOBO early we have secured a saving of £9.55m in cash interest payments.

2 DETAILS

- 2.1. The Council's Treasury Management Strategy and Prudential Indicators were set out in Section 1, A to the Business Plan Report 2023-2027 presented to the Council on 1st March 2023. They follow the requirements of the CIPFA Treasury Management Code of Practice and incorporate a debt management strategy that reflects the Council's potential need to borrow to finance its capital expenditure plans.
- 2.2. In addition, the Council follows the Ministry for Housing, the Department for Levelling Up, Housing and Communities (DLUHC), revised guidance on local authority investments of March 2018 that requires the Council to approve an investment strategy before the start of each financial year. The Guidance stipulated that the Council monitors the Treasury management activity undertaken.
- 2.3. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 2.4. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 2.5. Accordingly, treasury management is defined as:
"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

- 2.6 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
- A review of the Treasury Management Strategy Statement
 - An economic update for the first half of the 2023/2024 financial year;
 - The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
 - A review of the Council's investment portfolio for 2023/24;
 - A review of compliance with Treasury and Prudential Limits for 2023/24.
- 2.7 The Council approved the 2023/24 Treasury Management Strategy (TMS) at its meeting on 1st March 2023. The Council's stated investment strategy is to prudently manage an investment policy achieving first of all, security (protecting the capital sum from loss), liquidity (keeping money readily available for expenditure when needed), and to consider what yield can be obtained consistent with those priorities.
- 2.8 The total cash and deposit balance as at the end of 30 September 2023 (excluding bonds) was £209m. 2023/24 forecasted total interest income receivable is £11.790m against a budget of £6.321m. Rates continued to rise dramatically over the past year - the BoE decided to increase rates 14 consecutive times. This combined with the extra cash proceeds from the sale of CHAS has seen a big increase in interest income against the budget.
- 2.9 The Council's gross debt was £65.7m (after the redemption of the previously mentioned PWLB and LOBO early settlements) at 30 September 2023 and the average rate of interest is 6.69%. Based on the council capital programme the council will make new long-term borrowings if needed.
- 2.10 The Council's stated borrowing strategy is to finance long term borrowing from cash balances to the extent that reserves allow in addition to external borrowing.
- 2.11 Monthly Treasury meetings are held to discuss issues and to review the performance of the investments. Part of these meetings is to establish a position on whether the Council will go to the market to seek external borrowing or to continue funding its financial obligations through internal cash balances.
- 2.12 So far this year the decision has been not to borrow externally. This is mainly due to the fact the Council at this time does not need to borrow for any significant capital projects. PWLB rates have been steadily increasing and the cost of carry will be a factor in making the decision. The decision not to borrow has been further influenced by the available cash balance and the expected future capital expenditure. This decision is reviewed every month as part of the monthly treasury meeting

- 2.13 We are pleased to report that all treasury management activity undertaken between 1 April 2023 and 30 September 2023 period complied with the approved strategy, the CIPFA Code of Practice, and the relevant legislative provisions.
- 2.14 The key drivers for an effective treasury strategy are security, liquidity and yield management. A robust cash flow forecast is in place and is continuously reviewed to take account of the funding requirements both operational and major programme financing. This will better inform the borrowing and investment decisions providing an opportunity to review the budgeted investment income level.

Treasury Management Performance

- 2.15 The investment balance (excluding long-term bonds) held as at the 30 September 2023 stood at £209 million and the average rate of return on these investments was 4.95%. The forecast full year interest receivable income is £11.790m set against a budget of £6.321m.
- 2.16 The table overleaf shows the interest income forecast as at 30th September 2023 for CHAS and NON-CHAS deposits.

Counterparty	Investment value	Investment d	Maturity date	Rate	2023-24
Aviva investor sterling liquidity (30 Sept 2	106,690.40			4.51	
Standard Chartered Bank	7,000,000.00	04/04/2023	04/10/2023	4.65	163,195.89
Lloyds Bank Corporate Markets	7,000,000.00	04/04/2023	04/10/2023	4.87	170,916.99
Close Brothers - 03/05/24	15,000,000.00	04/05/2023	03/05/2024	5.20	711,616.44
Close Brothers - 22/05/24	15,000,000.00	22/05/2023	22/05/2024	5.20	673,150.68
Lloyds Bank Corporate Markets - 07/12/2	10,000,000.00	07/06/2023	07/12/2023	5.04	252,690.41
GB00B128DP45	1,035,000.00	07/06/2023	07/12/2046	4.25	35,913.08
GB00B128DP45	30,000,000.00	07/06/2023	07/12/2046	4.25	1,040,958.90
GB00BL6C7720	15,000,000.00	07/06/2023	29/01/2027	4.13	505,171.23
GB00B39R3707	25,000,000.00	09/06/2023	07/12/2049	4.25	861,643.84
GB00B39R3707	1,000,000.00	09/06/2023	07/12/2049	4.25	34,465.75
GB00B16NNR78	15,000,000.00	09/06/2023	07/12/2027	4.25	516,986.30
DMADF	25,000,000.00	27/03/2023	03/04/2023	4.05	5,547.95
DMADF	21,818,863.26	13/03/2023	12/04/2023	3.92	28,119.43
ATS Goldman Sachs	7,817,572.67	25/08/2023	23/02/2024	5.82	226,868.10
Lloyds Bank Corporate Markets	7,000,000.00	04/10/2023	28/03/2024	5.64	190,369.32
Goldman Sachs	7,000,000.00	04/10/2023	28/03/2024	5.56	187,669.04
CHAS MMF income end of 30 Sept 2023					1,071,713.72
Expected income from CHAS sale proceeds					6,676,997.08
National Westminster Bank	5,000,000.00	09/05/2023	09/11/2023	4.70	118,465.75
National Westminster Bank	5,000,000.00	11/11/2022	10/11/2023	4.30	131,356.16
STANDARD CHARTERED	5,000,000.00	24/05/2023	24/11/2023	5.19	130,816.44
Close Brothers Bank	5,000,000.00	29/03/2023	29/12/2023	4.60	171,397.26
Goldman Sachs	10,000,000.00	06/07/2023	08/01/2024	5.94	302,695.89
Santander Fixed Deposits	10,000,000.00	06/07/2023	08/01/2024	5.79	295,052.05
National Westminster Bank	5,000,000.00	20/01/2023	22/01/2024	4.45	180,438.36
National Westminster Bank	5,000,000.00	26/01/2023	26/01/2024	4.45	182,267.12
NATIONWIDE B.S	5,000,000.00	10/05/2023	12/02/2024	4.54	172,893.15
Goldman Sachs	5,000,000.00	01/08/2023	01/02/2024	5.79	145,939.73
Natwest	5,000,000.00	04/08/2023	07/05/2024	5.84	221,600.00
Standard Chartered Bank	5,000,000.00	24/08/2023	23/02/2024	5.80	145,397.26
ATS Goldman Sachs	4,247,295.98	25/08/2023	23/02/2024	5.82	123,257.65
Close Brothers Bank	5,000,000.00	28/09/2023	28/03/2024	5.60	139,616.44
2022-23 Deposits Matured in 2023-24					
NAT	5,000,000.00	07/11/2022	09/05/2023	3.80	95,260.27
N&AN	5,000,000.00	10/11/2022	10/05/2023	3.15	78,102.74
STAND	5,000,000.00	24/11/2022	24/05/2023	4.02	99,673.97
Goldman Sachs	5,000,000.00	01/02/2023	01/08/2023	4.10	68,436.95
Natwest	5,000,000.00	04/11/2022	04/08/2023	4.10	70,767.12
Standard Chartered Bank	5,000,000.00	24/02/2023	24/08/2023	4.39	87,198.63
Goldman Sachs	5,000,000.00	28/02/2023	29/08/2023	4.40	90,410.96
Close Brothers Bank	5,000,000.00	28/03/2023	28/09/2023	4.50	110,958.90
					973,846.57
Income from Non-CHAS Deposits					3,435,039.88
CCLA forecasted					408,501.24
NON-CHAS MMF					1,269,480.45
interest on current account balance					238.54
					1,678,220.23
					11,790,257.18

2.17 The table overleaf sets out the key performance indicators of our treasury management activities and the position as at 30 September 2023. Each indicator has been RAG rated for ease of reference.

Indicator Description	Agreed Performance or target	Status at 30 September 2023	RAG Status
Borrowing Limits for the years 2023/24			
Authorised Limit	£241m	£235m	
Operational Limit	£206m	£200m	
Security: average credit rating			
Portfolio average credit rating	A-	A-	
Compliance with CLG Non-specified investments Limits			
Total investments in Money Markets Fund (MMF)* increased to £100m at Sept 2021 Council meeting	£100m	£50m	
Total of other Pooled Funds	£10m	£10m	
Budgeted Investment Return			
Return on Investments	2.00%	4.95%	
Liquidity: cash available			
Total cash available without borrowing	£10m	£54m	
Total cash available including borrowing (cash + under borrowing)	£20m	£72m	
Deposit Interest rate exposure			
Fixed rate exposures	No limit	£55m	
Variable rate exposures	£100m	0	
Maturity structure of borrowing			
Under 12 months	0% - 20%	0.1%	
1 to 2 years	0% - 20%	18%	
2 to 5 Years	0% - 40%	10%	
Five years and within 10 years	0% - 20%	1%	
10 to 20 years	0% - 30%	11%	
20 to 30 years	0% - 50%	19%	
30 to 40 years	0% - 70%	41%	
Principal sums invested for periods longer than 365 days			
Investments longer than 365 but less than 2 years	£0m	£0m	

3.0 Risk Management and Creditworthiness Policy

3.1 This Council applies the creditworthiness service provided by Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main

credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

3.2 This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money Limit	Time Limit
Banks	yellow	£25m	5yrs
Banks	purple	£25m	2 yrs
Banks	orange	£25m	1 yr
Banks – part nationalised	blue	£25m	1 yr
Banks	red	£10m	6 mths
Banks	green	£5m	100 days
Banks	No colour	Not to be used	
Other institutions limit	-	£5m	1yrs
Government (DMADF)		unlimited	6 months
Local authorities	Yellow	£35m	5yrs
	Fund rating	Money Limit	Time Limit
Money market funds (maximum 5 Funds, £20m per Fund)	AAA	£100m	Instant
Ultra-Short Dated Bond funds with a credit score of 1.25	Dark pink / AAA	£25m	Instant
Ultra-Short Dated Bond funds with a credit score of 1.5	Light pink / AAA	£10m	Instant

4. CAPITAL PRUDENTIAL INDICATORS 2023/24-2026/27

- 4.1 The Council is required to calculate various indicators for the next three years. The aim of prudential indicators is to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The prudential indicators are calculated for the Medium Term Financial Strategy (MTFS) period and are linked to the CIPFA Prudential Code and TM Code of Practice. The indicators relate to capital expenditure, external debt and treasury management.
- 4.2 The Council will monitor performance against the indicators and prepare indicators based on the Statement of Accounts (SoA) at year end. Actuals are calculated from the SoAs with estimates based on the Capital programme.

Capital Expenditure

- 4.3 The Council's capital expenditure plans are fundamental to its treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to provide Council members an overview and confirm the impact of capital expenditure plans.
- 4.4 This indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle as reported in the MTFS. Environment and Regeneration figures include projects relating to Public Health programmes however these are fully funded and have no impact on the council's net financing need for the year or borrowing requirement

Please find below the capital expenditure forecast (as at September 2023).

Capital Forecast	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Finance and Digital	3,654	8,007	6,525	1,280	7,536
ASC, Integrated Care & Public Health	0	0	0	0	0
Children, Lifelong Learning & Families	8,268	6,326	16,114	3,479	3,400
Environment, Civic Pride & Climate	7,626	14,374	11,369	15,655	12,970
Innovation & Change	0	45	0	0	0
Housing & Sustainable Development	3,817	12,228	18,086	20,682	17,445
Total	23,365	40,981	52,094	41,096	41,351

- 4.5 The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

- 4.6 The table below shows how the capital expenditure plans are being financed by revenue or capital resources. A shortfall of resources means a borrowing need. The capital programme expenditure figures used in calculating the financing costs have been adjusted for slippage in the programme as at September 2023.

Capital Expenditure	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000
Capital Budget*	23,365	40,981	52,094	41,096	41,351
Slippage	0	0	0	0	0
Total Capital Expenditure	23,365	40,981	52,094	41,096	41,351
Financed by:					
Capital Receipts	5,797	900	900	500	500
Capital Grants & Contributions	13,736	23,856	30,310	17,679	16,741
Capital Reserves	0	0	0	0	0
Revenue Provisions	833	1,387	1,608	230	95
Other Financing Sources	0	0	0	0	0
Net financing need for the year (a)	2,999	14,838	19,276	22,687	24,015

5.0 ECONOMIC UPDATE ALTERNATIVE OPTIONS

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).

- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.

- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was “finely balanced”. Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further increases are needed”. The Bank also retained the hawkish guidance that rates will stay “sufficiently restrictive for sufficiently long”.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been

primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

Interest Rate Forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 25th September sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View		25.09.23											
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

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Committee: Cabinet

Date: 16 November 2023

Wards: Borough Wide

Subject: Housing Delivery and Review of Property Assets

Lead officer: Lucy Owen Executive Director for Housing and Sustainable Development.

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

Contact officer: Jacquie Denton Interim Property Management & Review Manager

Exempt or confidential report

The following paragraph of Part 4b Section 10 of the constitution applies in respect of information within the appendices 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 appendices.

Recommendations:

- A. That Cabinet notes the update and recommendations arising from the externally led asset review on how the Council's ambition to deliver 400 new council homes can be met.
 - B. That Cabinet agrees not to dispose of the next tranche of sites, as previously agreed, and instead allocates the sites for the affordable homes programme either through Council led delivery or development partnership.
 - C. That Cabinet approve design and viability work to being on the following three sites: Worsfold House, Chaucer Centre and Gifford House.
 - D. That Cabinet approve the commencement of soft market testing with the private sector on a partnership arrangement to deliver homes at the land at Battle Close.
 - E. That Cabinet approve the allocation of the expected capital receipt from the sale of the land at St George's Rd to support the design work for the three sites highlighted above in C, and to support procurement for development through a partnership for the land at Battle Close, if soft market testing is positive.
 - F. That the land at 111-127 The Broadway SW19 (also known as P4) be brought to the market and that the Executive Director of Housing and Sustainable Development, in consultation with the Cabinet Member for Housing and Sustainable Development, be authorised to agree terms for a disposal.
 - G. That the capital receipt from the sale of the land at 111-127 The Broadway SW19 is ringfenced to support the delivery of the Council's affordable homes programme.
 - H. That Cabinet notes the finance, timescale and officer resource implications for the continuing programme, including the conclusions from a report into the viability and timing of setting up a new Council Housing Revenue Account.
-

- I. That Cabinet notes the proposed Governance arrangements for ensuring oversight of the housing programme moving forward.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To review the previous decision for the proposed disposal of surplus council property to facilitate the increase in supply of residential property.
- 1.2. To inform members of the findings and recommendations of the Asset Review undertaken by Savills and the proposed actions to bring forward a pipeline of sites to deliver 400 new affordable homes.
- 1.3. The Savills report has identified the next tranche of sites suitable to provide housing. Agreement is now sought for these assets to be progressed.
- 1.4. To note the governance arrangements being proposed to ensure effective oversight of the housing programme moving forward, and sign off at key gateway points, as the Council builds its capacity and capability in this area.

2 DETAILS

- 2.1. At its meeting of 6 December 2021 Cabinet declared the following properties surplus to requirements: Elm Nursery Car Park, Rayleigh Gardens Car park, Farm Road Church, Land adjoining the Canons Waterfall Cottages, Worsfold House, Chaucer Centre, Gifford House, Former Virgin Active site, Battle Close, Wimbledon.
- 2.2. It agreed the recommendation that the properties be marketed for housing as soon as they were ready and that the Director of Environment & Regeneration in consultation with the Cabinet Member considers that the market is favourable.
- 2.3. In a report dated 10 October 2022 Cabinet agreed not to dispose of the first four sites being Elm Nursery Car Park, Rayleigh Gardens Car Park, Farm Road Church and land adjoining Canons for private sale and instead allocated the sites for affordable homes delivered by the council or a Registered Provider (Housing Association)
- 2.4. Further following the report dated 19 June 2023 approval was provided to enter into a collaboration agreement with L&Q in order to carry out the development management and delivery of 93 council homes for the council on the first four sites. The Council has appointed Inner Circle Consulting to support the strategic programme and increase Council capacity to effectively client L&Q while internal capacity is put in place.
- 2.5. This report also advised Cabinet that a strategy would be created for the remainder of the housing delivery programme and of the appointment of Savills to undertake a review of the Council's property assets to inform this strategy. To bring forward sites for housing delivery and identify assets which may be disposed of to achieve a capital receipt to contribute to the funding of that programme.
- 2.6. The review has now reported on its findings and recommendations.

Review recommendations

- 2.7. The asset review looked at the property assets across the council portfolio to identify sites suitable for residential development. It looked at early opportunities for the council and key dependencies together with the potential quantum of residential units that could be accommodated on each suitable site and provided a timeline.
- 2.8. The review looked at all these assets and assessed them in terms of deliverability, risks, costs and capacity.
- 2.9. The recommendations of the review put the sites into a number of ‘tranches.’
- 2.9.1 **Tranche 1** – sites either cleared or where vacant possession can be achieved within a short timescale. Subject to concluding legal and financial due diligence, these sites could be available to start design within the next 12 months.
- 2.9.2 **Tranche 2** – sites with more logistical or planning issues. This tranche includes some sites where the current use will need to be reprovided within the new development.
- 2.9.3 **Tranche 3** – Sites with more complex logistical or planning issues and where engagement with additional stakeholders will be required. It should be noted that potential for bringing together Council land with land owned by our partner housing association at Pollards Hill is noted as tranche 3, but we have already been in discussion with our partner about this, so will consider bringing this forward to an earlier tranche.
- 2.10. **Disposal tranche** – sites which aren’t appropriate for affordable housing delivery and will bring more value via a straight disposal.
- 2.11. Overall, the Savills’ report highlights there is potentially (subject to planning, design, further feasibility and red book valuations) capacity for around 698 homes on the sites identified of which around 537 are presumed to be affordable. This does not include the 93 affordable units from the 4 sites already identified and being taken forward through a collaboration agreement with L&Q, as agreed by Cabinet at their 19 June 2023 meeting (this is referred to in the report as **Tranche 0**).
- 2.12. The Savills’ report also provides a high-level indicative range of values for the sites in the disposal tranche, which could support cross-subsidy to deliver the Council’s home building ambitions. It should be noted that the current market is declining for sales values, so the timing of these disposals should be considered. Disposal values could be in the range of £5.4m - £11m.
- 2.13. This report focuses on how to take forward the sites in ‘tranche 1’ and one of the sites in the disposal tranche.
- Delivery Routes and Structures**
- 2.14. Alongside this, Savills also provided recommendations on delivery routes for these sites.
- 2.15. The report sets out how for multi-site programmes, it is appropriate and typical for Local Authorities to use a range of delivery routes and structures. Using a balanced approach in this way helps to manage resources, funding

and risk exposure at a programme level. The Savills report sets out some case studies of how different Local Authorities have approached this.

- 2.16. Several of the identified sites are smaller sites, in areas with lower land values. It is proposed these sites are best Council-led, and 100% affordable housing (70% social rent, 30% shared ownership), to maximise GLA grant.
- 2.17. Some of the sites are larger and in areas with much more valuable land values. These sites are proposed to be delivered through a development agreement – a partnership with a private sector developer.
- 2.18. Larger-scale schemes located in higher value areas where private sale revenues can help to cross-subsidise affordable housing delivery are recommended for partnership working. Through a Development Agreement structure the Council can benefit from the funding, resource and expertise of a developer partner whilst not having to fund an entire scheme. However, the agreement still enables a considerable level of control, examples provide below:
- (i) The Council can ensure excellent design quality through its Employers Requirements which would be appended to the Development Agreement.
 - (ii) Sign off of architects, designs and the planning application can also be secured.
 - (iii) Planning and delivery timescales can be secured through target and longstop dates for key project milestones.
 - (iv) The Council can also exert control over the planning application to be secured by its developer partner through Council Onerous Conditions, and oversight and sign-off of the planning application.
 - (v) The Council can ensure a 50% level of affordable homes, and that the homes will be Council Homes on practical completion. Through this structure, a developer partner will require revenue in relation to the affordable housing which the Council could cover through a reduction in or a zero land value (subject to project viability), affordable housing grant, and / or cash investment.
- 2.19. Four sites have been identified to form the next tranche of the housing delivery strategy. These are Chaucer Centre, Battle Close (former virgin active site) Gifford House, and Worsfold House.
- 2.20. As these sites had previously been agreed by Cabinet for disposal approval is now sought to instead allocate the sites for affordable homes either through Council led delivery or development partnership.
- 2.21. Chaucer Centre, Gifford House and Worsfold House sites will now be progressed to achieve a council led development of affordable homes.
- 2.22. It is proposed that a soft market testing exercise be undertaken regarding a development partnership for the Battle Close site. This will help to identify the appetite in the development market for the site and the potential level of viability. It will also start to drive interest from high quality, trusted developers.
- 2.23. To support the Housing delivery strategy, it is also proposed that the site at The Broadway in Wimbledon also known as P4 be brought to the market in

order to generate a capital receipt as agreed by Cabinet at the meeting of 11 March 2013. It is proposed that this capital receipt, if offers are at the desired levels for the Council and in line with current valuations, is ringfenced to provide cross-subsidy for delivery of the Council-led housing programme.

- 2.24. It is also proposed that the capital receipt from the sale of the land at St George's Road in Wimbledon (currently being progressed) is also ring fenced to provide cross-subsidy for delivery of the Council-led housing programme.
- 2.25. The council is also working with Wandle Housing on the redevelopment of the Jan Malinowski centre on Riverside Drive which is expected to provide around 70 affordable units.
- 2.26. Also work is being progressed with Moat Housing for the development of Pollards Hill which could also provide around 90 homes.
- 2.27. Working with our Housing Association partners on these two sites also helps to create a balanced programme approach, and further manage its resources, risk exposure and funding requirements. It is presumed at this stage, although to be tested through discussions, that the affordable units from these sites would be owned and managed by our Housing Association partners, with 100% nomination rights to the Council.
- 2.28. The table provides indicative numbers of the affordable units achievable at each site, subject to further work, planning and viability.

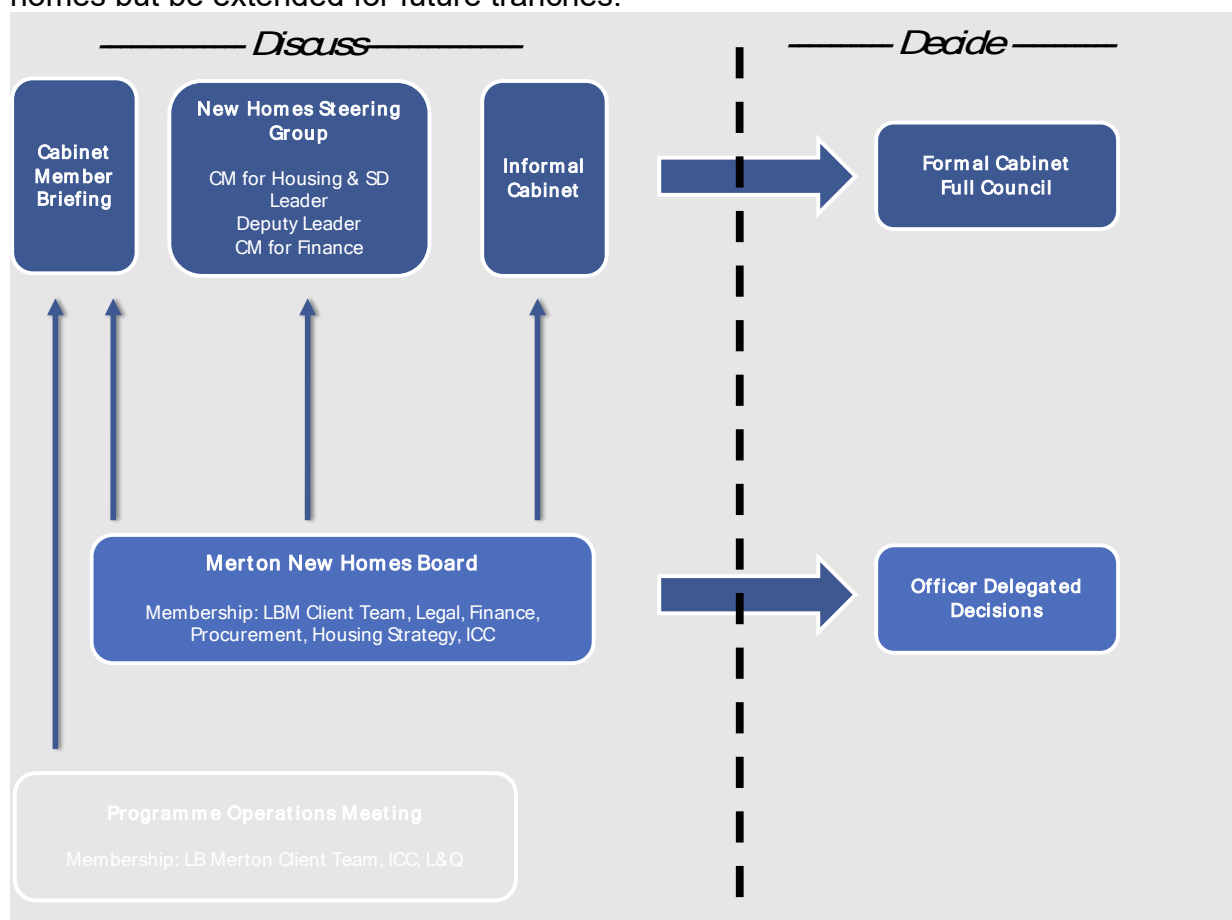
Site name	Indicative number of affordable homes
Chaucer Centre	65
Worsfold House	68
Gifford house	36
Battle Close	83
Pollards Hill	90
Riverside Drive	70
Tranche 0 (first 4 sites already underway)	93
Total	505

Governance and oversight of home building programme

- 2.29. The current development market is a challenging one, with increasing construction costs and decreasing sales values. However, the housing crisis in London is as acute as ever, with increasing numbers of families on the Council waiting list for affordable homes. The need for high quality, truly affordable homes is more vital than ever, especially as the private sector market in London is declining.
- 2.30. The Council is committed to doing all it can to help provide additional affordable homes for its residents. However, it has not built any Council stock for a generation. The Council is building its capacity and capability, and the partnership with L&Q is enabling skills and knowledge to be passed on to the small existing Council team. Construction programmes are

complex and often subject to unforeseen issues and delays, which can significantly add to costs.

- 2.31. To support the council in efficiently and effectively delivering this programme of new council homes, expert advice and additional capacity is being provided by Inner Circle Consulting (ICC). ICC will help the council client L&Q and manage the strategic programme of work within the Council while internal capacity is recruited and developed
- 2.32. To ensure the proper oversight of the programme, appropriate sign off at various gateways, tight risk management and effective management of resources (both financial and staffing), a governance structure is proposed to be put in place, as highlighted below. This will initially focus on the first 93 homes but be extended for future tranches.



- 2.33. Operationally, the LB Merton Client team will have a formal monthly meeting (Programme Operations meeting) with L&Q, supported by ICC. This meeting will focus on operational matters, including architecture, planning, construction as well as tracking performance and expenditure. The primary focus of this body will be the delivery of the first 93 homes across the four sites in tranche 0.
- 2.34. Strategic governance will be provided by the Merton New Homes Board. This will be chaired by the Executive Director for Housing and Sustainable Development and bring together internal council functions. This board will

discuss and minute any officer delegated decisions that are required to advance the strategic programme, as well as monitoring progress, risk and expenditure. L&Q and other strategic partners will be invited to attend as required but will not form part of the standing membership of this body.

- 2.35. The officer structure will feed into the political governance and oversight for the Cabinet. This is to be provided through two structured settings in addition to any informal meetings or briefings for the whole of the cabinet:
- i) The Cabinet Member for Housing and Sustainable Development will have a formal, minuted briefing once a month on progress against the programme, any risks and issues arising, and providing a forum to discuss any forthcoming operational matters on which the Cabinet Member's views or steer are sought.
 - ii) A New Homes Steering Group, chaired by the Cabinet Member for Housing and Sustainable Development, attended by the Leader, Deputy Leader and the Cabinet Member for Finance. This steering group will provide an opportunity for strategic input on the programme and any decisions on key sites with an impact on the wider programme. This group will also help officers shape any decisions that need to be brought to Cabinet or to Full Council for a formal decision. This meeting will be attended by officers to present updates and to note the outcome of discussions.

Update on 'tranche 0' – the first 93 units

- 2.36. Work is well underway on the first 93 units on four sites across Mitcham and Morden.
- 2.37. The four sites have been granted planning permission and design work is currently being undertaken to enhance the design of the homes to passive house standard (a level and quality of design specification and construction that minimises energy requirements and maximises the sustainability of the properties).
- 2.38. The council is working with L&Q and other specialist contractors to undertake the updates to the design as well as the project management of the procurement and delivery of the construction of the new homes.
- 2.39. A further paper will be brought to Cabinet in late 2023/early 2024 seeking approval to commence the construction of the 93 units, once tender prices are available.

3 ALTERNATIVE OPTIONS

- 3.1. Do nothing. This would not assist the council in its objective to achieve affordable homes or generate capital receipts.
- 3.2. Dispose of all sites. Whilst disposal of the assets would achieve a capital receipt and provision of affordable homes would be achieved through the planning process the council would not have direct control over the developments and the resulting properties would not contribute to the objective to regain council housing stock.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None for the purpose of this report

5 TIMETABLE

- 5.1. Design and viability work will commence on Worsfold House, Gifford House and the Chaucer Centre this financial year, subject to procurement of the appropriate professional team.
- 5.2. The soft market testing with the private sector on a partnership arrangement to deliver homes at the land at Battle Close is proposed to be undertaken in January 2024.
- 5.3. The land at 111-127 The Broadway will be brought to the market for disposal in spring 2024, subject to further advice on market conditions and timing.
- 5.4. A communications and engagement plan will be prepared for January 2024 to take account of the timetable of activities set out in paragraphs 5.1 to 5.3.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1 The financial implications of this report are quite extensive, they have been structured into four areas:
- General Fund – Revenue
 - General Fund – Capital
 - General Fund – Funding the Capital Programme
 - Establishing a Housing Revenue Account
- 6.2 General Fund Revenue - The Authority currently has £516k revenue funding to support the housing delivery programme and where appropriate costs will be charged to the capital programme. It should be recognised that if any schemes are not progressed their costs will need to be charged to revenue. It is currently envisaged that in the short-term revenue costs can be contained within existing budgets. In the medium to long term the Council will need to establish internal resources to support its ongoing housing and development aims. A growth bid is being prepared to address this as part of next year's revenue budget.
- 6.3 General Fund capital - The Council's current approved capital programme includes £29m for the development of tranche 0 schemes. Previous reports to Members had indicated that build cost inflation and changes to building regulation requirements / implications of seeking to achieve full Passive House standards would mean that this gross cost was likely to increase. Whilst this continues to be borne out in the latest estimates, indications are that the Council will also receive a higher level of grant funding than estimated. We are still working to develop the schemes to a position at which we can issue tenders but at this point the latest position is that these schemes could require an increase in the gross capital budget of £5m to £7m.
- 6.4 General Fund Funding the Capital Programme- The further recommendations in this report to continue development of Worsfold House,

Chaucer Centre, Gifford House, Battle Close and support of the affordable homes programme will also require new funding to be identified as part of the budget. Should these schemes be taken to development it is unlikely that sufficient internal funding would be available, so it is likely that external funding may need to be considered in the longer term for this programme.

- 6.5 In addition, the earmarking of capital receipts as proposed in recommendation E and G will mean that such receipts are not available to apply to the wider capital programme and the delivery of other council objectives. Officers are currently working with Members to reduce the capital programme to minimise/remove the need for internal/external borrowing, the funding of these schemes and their method of development will need to be considered with other competing schemes.
- 6.6 It is currently estimated that assuming the higher level of costs we currently have less the higher level of GLA grant Tranche 0 would currently require net £12.3m funding (final costings will only be clear once the schemes have been tendered early next year). This funding would either need to come from borrowing or from other internal resources.
- 6.7 Establishing a Housing Revenue Account (HRA) - A report was commissioned to look at the viability, timings and practical considerations of re-opening a Council Housing Revenue Account. In summary, this report notes that:
- The Council has powers under Part II of the Housing Act 1985 to provide council housing and re-open the HRA at any point, but must do so once it exceeds 199 homes.
 - Modelling work was carried out on the first four sites identified by officers as developable as new social housing, totalling 93 homes. The outcome of this modelling suggests that it is both possible and feasible to operate a small HRA based on the Council underpinning any early new build investment with direct financing (for example capital receipts) and building new homes which would not require significant investment in capital maintenance for many years.
 - Whilst the Council could supplement capital receipts with borrowing, the amount of borrowing would need to be limited so as to allow the HRA to build-up critical mass over time.
 - If an HRA is opened, as well as financing the development of new homes, the Council is likely to need to provide initial revenue funding to underpin the initial operating costs and overheads.
 - Operating a small HRA carries more risk than larger HRAs, partly due to the small amounts of income this produces and partly due to the relatively high internal overheads (as some services would need to be provided irrespective of the number of properties).
 - In particular, the Council is likely to need to rely on external partners/contractors for management and maintenance of any newly built stock, certainly in the early stages, and any associated risks would need to be carefully managed.
 - There are alternatives to the Council holding stock in the HRA which may be able to achieve similar outcomes in terms of delivery and control, especially if the stock holding is likely to remain small; such options include operating in the General Fund (up to 200 homes) and in a housing company.
 - If an HRA were to be opened it can be opened either immediately or once the Council exceeds 200 homes. There are advantages and disadvantages for each of these

approaches and the precise timing for reopening the HRA would presumably be an ongoing matter of judgement for officers.

- 6.8 The key requirement for the establishment of a HRA (S76 Local Government & Housing Act 1989) is that once established it should reach a break-even position as soon as possible. This is a position where it is self-financing and requires no additional capital or revenue funding from the General Fund (it is also termed “critical mass”). So whilst a smaller HRA in the region of 4-500 properties is sustainable in revenue terms, in order to be sustainable in both revenue and capital terms it is likely that this number would need to increase over time to around 1,000 properties.
- 6.9 Given the time required to build up the capability and capacity to deliver and administer an HRA, officers recommended that the Council does not consider reopening an HRA until after the first 93 have been delivered. This will give officers time to develop and resource the necessary policies, systems, skills and capacity such that the Council is in a position to be able to reopen the HRA at practical completion of the next tranche of Council homes, when all the homes delivered to date could be transferred into the HRA. Officers would also need to establish ongoing revenue and capital funding to subsidise the HRA until it reaches a break-even position.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. Pursuant to the Housing Act 1985, a local housing authority has a duty to undertake periodical reviews of housing conditions in its area and the needs of the area with respect to the provision of further housing accommodation. The proposals set out in this paper relating to a combination of development and disposals to raise capital receipt is a means by which the Council could potentially make provision of further housing accommodation in its area.
- 7.2. The General Power of Competence pursuant to the Localism Act 2011 provides powers for the council to facilitate the economic, social and/or environmental betterment of their Borough through the delivery of improved facilities in addition to powers as a housing authority contained in the Housing Act 1985.
- 7.3. A council is empowered by the Local Authorities (Land) Act 1963 to erect any building and construct or carry out works on land for the benefit or improvement of their area although any proposals will be subject to concluding financial and legal due diligence which will include completing the closure of the car parks as ancillary matters to facilitate the development. [Officers have considered the supply of car parking in the vicinity of the relevant proposed sites and across the Borough as a whole and subject to concluding any statutory procedures for formal closure, it is not considered unreasonable for these closures to proceed based on need and usage as captured in surveys and reports. There will be a fresh consultation as part of the statutory procedure and any representations in response to it will need to be considered on their merits at the relevant time and the decision for closure cannot be made in advance.
- 7.4. The final terms of any disposal and development proposals will consider any need to comply with procurement legislation.

- 7.5. The Local Government Act 1972 empowers councils to dispose of land held by them in any manner they wish however, except with the consent of the Secretary of State, a council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained. Should the Council decide to sell any of the sites at less than best consideration it would either need consent from the Secretary of State or the disposal would need to meet the criteria of the 2003 General Consent for Disposal of land which grants consent to disposal at less than best consideration provided the undervalue is less than £2 million and that the Council considers that the disposal will contribute to the social economic and environmental wellbeing of the area and in accordance with the annex to the consent. The Council would also need to have regard to state aid rules and its fiduciary duty.
- 7.6. This report sets out the rationale for the proposed development and perceived betterments of the Borough. Members should consider whether the benefits of the proposals set out in this report would outweigh any dis-benefits of leaving the area without any of the proposed improvements. Members are reminded, that as well as having regard to their fiduciary duty, that in coming to their decision they ensure that the decision is one which is rational in public law terms.
- 7.7. Where the Council as the land owner is seeking to secure planning consent for any proposed development on any of the sites mentioned in this report, the council will need to consider how best to accommodate any planning obligations and the power to approve any planning obligations imposed on the Council as land owner will need to be considered.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. An Equalities Impact assessment was carried out for the Local Plan, where a number of these site were highlighted for development. EIA's for tranche 1 and the following sites will be completed prior to disposal or planning applications being submitted.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purpose of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

Risk	Consequence	Mitigation/Action
Increased costs, materials, and labour.	Increase in financial contribution required by council.	Close review and monitoring, Staged implementation strategy to reduce risk.

Decrease in land value	Reduction in capital receipt from disposals.	Assess market conditions, market testing before any disposal.
Staffing resource, potential impact on in house resource	Impact on delivery of other work and services	Ensure the Housing delivery strategy is adequately resourced with staff and that the necessary skills are procured.
Availability of Finance, market conditions	Detrimental effect on disposals and values.	Market testing, staged management of programme to spread risk.
Establishing an HRA	<p>Staffing/Resources to manage and maintain an HRA – must include IT systems</p> <p>Requirement to account for separately</p> <p>Will need to consider whether a separate or composite rate is used for Debt</p> <p>Operating a small HRA carries more risk than larger HRAs, partly due to the small amounts of income this produces, partly due to the relatively high internal overheads (as some services would need to be provided irrespective of the number of properties) -</p> <p>Achieving critical mass for efficient operation</p>	<p>Require sufficient lead in time to establish infrastructure</p> <p>Operating a small HRA the Authority will need to develop a management and maintenance agreement with an external provider.</p>

10.1. Table identifying keys risks is provided above.

10.2. Health & Safety Implications, none for the purpose of this report.

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

- Confidential appendix – Savills asset review report (reserved from publication)
- Confidential appendix – Savills review into reopening a Council HRA (reserved from publication)

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Committee: Cabinet

Date: 16 November 2023

Wards: All

Subject: Expansion of Cost of Living Support Fund

Lead officer: Asad Mushtaq; Executive Director, Finance and Digital

Lead member: Cllr Billy Christie; Cabinet Member for Finance and Corporate Services

Contact officer: Keith Burns; Interim Assistant Director: Customers, Policy and Improvement

Recommendations:

- A. Note progress in delivering the Merton Council Cost of Living Strategy and Action Plan 2023 – 2025.
 - B. Agree to further expand the Merton Council Cost of Living Fund by allocating a further £1million, to be funded from the Strategic Priorities Fund reserve, in recognition of the ongoing challenges faced by local residents and businesses as a consequence of the cost of living emergency.
 - C. Agree the five broad areas of focus identified in the report against which the additional funds will be allocated.
 - D. Delegate authority to the Cabinet Member for Finance and Corporate Services, in consultation with the Chief Executive and Corporate Management Team, to agree the financial allocations against each of the five broad areas of focus along with a detailed delivery plan.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The Merton Council Cost of Living Strategy and Action Plan 2023-25 – a cross-council boroughwide approach to supporting residents in Merton – was agreed by Cabinet on 20 March 2023.
- 1.2. In addition, a £2million Cost of Living Support Fund was agreed by Cabinet in September 2022, as well as allocations for the first £1 million. Allocations for the second £1 million were agreed by Cabinet in March 2023.
- 1.3. This report provides an update on delivery against the strategy action plan and the first and second tranche of the Cost-of-Living Support Fund.
- 1.4. In recognition of the ongoing impact on local residents and businesses of the cost of living emergency, agreement is also sought to allocate a further £1million from the Council's Strategic Priorities Fund reserve to the Cost of Living Support Fund, bringing the total value of the Fund to £3million.

2 DETAILS

SUMMARY OF PROGRESS TO DATE

2.1. Highlights from the projects and initiatives set out in the Cost of Living Action Plan and funded through both tranches of the Cost-of-Living Support Fund include the following:

- Over 2,300 residents attended Merton's Cost of Living events held across the borough.
- Through funding to the Community Fridge Network and groups funded through Emergency Assistance Fund, a greater number of residents were able to access food provision. The Community Fridge Network distributed 57,169 kg of food between October 2022 – June 2023.
- In the seven months to the end of July 2023 just under 500 Merton based individuals engaging with Citizens Advice Merton and Lambeth's Merton Cost of Living team and 166 individuals receiving cost of living advice support for over 550 advice issues.
- Through the first quarter of 2023-24 (April 23-June 23) Thinking Works and Warm and Well partners have already distributed 184 fuel vouchers, completed 169 energy efficiency visits, carried out 33 heating checks, 21 residents were supported with small energy measures installed by the handyperson service and there was £101,000 in benefits uptake.
- From May 2023 and for the whole 2023-24 academic year, Merton's Holiday Activities and Food Programme have been extended to half term holidays.
- Through combined funding from the Household Support Fund and Cost of Living Fund, £60 post office vouchers were made available to Council Tax Support claimants in 2022-23.

CURRENT SITUATION AND RATIONALE FOR EXPANDING THE COST OF LIVING SUPPORT FUND

2.2. The lives of people across the UK continue to be shaped by the sustained increase in the cost of living, with low-income households being disproportionately affected. While some financial help has been provided by Government to low-income households there is no certainty about how long, and at what level, this support will remain in place.

2.3. The Chief Executive of the Trussell Trust, Emma Revie, has said of expected demand this winter: "We don't want to spend every winter saying things are getting worse, but they are." The trust handed out 904,000 food parcels between December 2022 and February 2023, and expects to hand out more than 1m parcels to more than 600,000 people this winter, with the number of children needing help expected to rise from 220,000 last year.

2.4. As of September 2023, the UK inflation rate, as measured by CPI, remained unchanged from August at 6.7%. This is down from a peak in October 2022 of 11.1%. Although the rate of increase has slowed from this peak, the long term impact of the sustained inflationary increases during 2022 and 2023 will continue to be extremely significant for households and businesses in the borough.

2.5. Over the past year, basic food costs have risen by more than 15%, leading debt charity StepChange and foodbank charity the Trussell Trust, to express concern that people are being forced to cut back on their family budgets and are even skipping meals to make ends meet. According to the Joseph Rowntree Foundation, a total of 5.6 million low-income households in the UK owe more than £14bn in unsecured lending like credit cards, overdrafts and personal loans.

2.6. In addition to the ongoing impact of inflation on food and other essentials, homeowners have experienced significant increases in mortgage rates, while those households living in private rented sector accommodation have seen upward pressure on rents. As fixed rate deals come to an end for both residential and buy to let mortgages these increased housing costs will continue to impact on an increasing proportion of households, inevitably leading to higher levels of mortgage and rent arrears.

2.7. It is clear, therefore, that the cost of living emergency shows no signs of abating in the foreseeable future. The longer term impact on households and businesses across the borough is difficult to quantify, but very likely to be significant.

2.8. In order to expand the Council's cost of living support for residents and households, it is proposed, therefore, to allocate a further £1million to the Merton Council Cost of Living Support Fund. It is proposed that this additional funding be focused on five main themes:

- Food support.
- Schemes to support residents at risk of homelessness as a result of rent or mortgage arrears.
- Business Rates Reduction Fund (supporting businesses who commit to becoming London Living Wage accredited).
- Extending the Merton Young Savers scheme for a further year
- Voluntary and Community Sector support fund.

2.9. Officers are in the process of developing detailed delivery plans against each of these five themes, and Cabinet is asked to agree that authority be delegated to the Cabinet Member for Finance and Corporate Services to sign-off these detailed delivery plans along with the agreed financial allocations against each theme.

2.10. Once the detailed delivery plans and financial allocations are signed off they will be published as an addendum to the Merton Council Cost of Living Strategy and Action Plan 2023 – 2025.

3 ALTERNATIVE OPTIONS

3.1. Cabinet could decide not to allocate additional funding to the Merton Council Cost of Living Support Fund, or to allocate a lower amount. However, given the scale of the ongoing impact on households and businesses of the cost of living emergency this is not a recommended option.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. In developing detailed delivery plans against the five main themes officers will work with Voluntary and Community Sector organisations and other experts to identify how the impact of the additional funding can be maximised.

5 TIMETABLE

5.1. Subject to Cabinet agreeing the additional £1million funding at its meeting on the 16th of November 2023, and the decision not being called in, officers intend having a Food Support scheme ready for implementation by early December 2023. It is also intended that a full delivery plan covering the five main themes will be completed and published by the 31st of January 2024.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. The £1m additional budget for the Cost of Living Fund will be funded from the Strategic Priorities Fund reserve. Any unspent allocation by the end of the current financial year will be rolled forward and made available for use in 2024/25.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. Under the Financial Regulations in Part 4F of the Council's Constitution, the Cabinet is responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.

7.2. As to recommendation D, Section 9E of the Local Government Act 2000 permits the delegation requested.

7.3. Therefore, Cabinet is authorised to agree the recommendations in the report.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. The support provided via the Merton Council Cost of Living Support Fund is mainly targeted on low-income households, which is likely to have a positive impact in terms of equalities.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None specific to this report

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None specific to this report.

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

- None

12 BACKGROUND PAPERS

12.1. None

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Committee: Cabinet

Date: 16 November 2023

Wards: All

Subject: St Helier Hospital & New Hospital Programme

Lead officer: John Morgan, Executive Director Adult Social Care, Integrated Care & Public Health

Lead member: Cllr Peter McCabe, Lead Member for Adult Social Care & Health

Contact officer: Phil Howell, AD Commissioning ASC, IC & PH

Recommendations:

- A. To note the content of the report and associated appendices, documenting the independent analysis undertaken by Newton Europe on behalf of the Council
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. On 3rd of July 2020, NHS South West London and NHS Surrey Heartlands Clinical Commissioning Groups (CCGs) met 'In Common' to agree investment decisions for the £500m capital allocated in September 2019, under the New Hospitals Programme. These decisions were aimed at addressing the long-standing challenges currently facing Epsom and St Helier hospitals. At this meeting the CCG members agreed to adopt the following resolutions:
- To agree and adopt the clinical model, described in the Decision Making Business Case for the delivery of district hospital services and the specialist emergency care hospital (SECH).
 - To agree that the preferred option for the location of the SECH is Belmont, with continued provision of district hospital services at Epsom Hospital and St Helier Hospital (ESTH)
- 1.2. In 2020 The Trust set out three main drivers underpinning the business case development and this is documented on the Improving Healthcare Together programme website. They report these as:
- **Quality:** ESTH is the only acute trust in South West London that is not clinically sustainable in the emergency department and acute medicine due to a 25 consultant shortage against our standards. Additionally there are shortages in middle grade doctors, junior doctors and nursing staff. The Care Quality Commission has highlighted workforce shortages across its two sites as a critical issue.
 - **Buildings:** The acute hospital buildings are ageing and are not designed for modern healthcare delivery. Over 90% of St Helier hospital and 14% of Epsom hospital is older than the NHS. Buildings' condition has been highlighted by the Care Quality Commission as requiring improvement. Significant investment is needed to make sure hospital buildings are safe.

- **Finances:** Epsom and St Helier hospitals operate in a budget deficit, spending more than they receive. Pertinent issues are; increases in costs for temporary clinical staff to cover vacancies and gaps in staff rotas, the increasing costs of maintaining hospital buildings, and the reduction in opportunities to make savings. Financial sustainability is an imperative.
- 1.3. The proposal and accompanying business case was originally submitted in June 2020, with plans to complete the new site by 2027. Since then, there has been a global pandemic, the NHS now finds itself in a workforce and demand crisis with backlogs having increased 20% from June 2020 figures. The NHS local commissioning bodies have been through further fundamental reorganisations, forming Integrated Care Boards which have been operational from July 2022. Whilst the acute Trust responsible for this programme has now merged with St Georges NHS Trust to form Georges & Epsom & St Helier Hospitals NHS Foundation Trust.
- 1.4. The National Audit Office has recently published a report on the new hospitals programme and raised concerns. Including risks associated with the capacity of some of the proposed hospitals to meet future demand, and the feasibility of building new infrastructure according to planned budgets and timelines.
- 1.5. Following the updated statement from Secretary of State in May 2023, that the hospitals were going to proceed and be built by 2030. Merton council commissioned an independent analysis, since the business case as it stood is now three years old and conceived prior to the COVID-19 Pandemic. The data used for the initial draft business case ranged from 2011 to 2019. The independent analysis was commissioned to understand the potential effects of the proposed changes on Merton residents, using the more recent available information. This involved analysing:
- impact on travel times;
 - (ii) current area providers' care quality and volumes;
 - and (iii) Merton demographic changes.
- 1.6. The purpose of this report is to inform Cabinet of the outcomes and findings of recently commissioned independent analysis, which revisited and reviewed the Decision-Making Business Case and Integrated Impact Assessment associated with the decision to invest the national New Hospitals Programme allocation in building a new hospital at Belmont, in Belmont. The purpose of the analysis was specifically to review findings in the context of impact on Merton as a borough and it's residents.

2 DETAILS

- 2.1. The Improving Healthcare Together 2020 to 2030 programme (IHT) was set up by NHS Surrey Heartlands and NHS South West London CCGs* in January 2018 to develop, consult on and propose decisions to be made to address the long-standing issues facing Epsom and St Helier hospitals. As organisations responsible for planning, commissioning and making decisions about healthcare services for Surrey Downs, Sutton and Merton areas at the time, the two CCGs led the development of proposals for potential service

change. In September 2019, the IHT programme was allocated £500 million to improve the current buildings at Epsom and St Helier hospitals as well as build a new specialist emergency care hospital on one of the three sites – Epsom, St Helier or Belmont. The new facility would bring together six services for the most unwell patients, as well as births in hospital.

2.2. The Business Case [Paper-3_Paper_Draft-Decision-Making-Business-Case_03.07.20.pdf \(improvinghealthcaretogether.org.uk\)](#) considered options for implementation of the capital programme as well as setting out the appraisal criteria for selection of a preferred model. Both financial and non-financial (clinical model) criteria were applied to the assessment process.

2.3. The Committees in Common considered all the evidence and established a preferred option. The Committees in Common considered all the evidence set out within the PCBC and concluded that: The three options are viable and should be included in any public consultation, with the no service change comparator not included in consultation as it is not a proposal for change.

2.4. The options continued to be ranked as:

- Belmont as the top ranked and, on this basis, the preferred option;
- St Helier as the second ranked option;
- Epsom as the lowest ranked option.

2.5. Programme Board and the Committees in Common considered the evidence to determine whether the options were viable, and whether there was a preferred option. This evidence is summarised below for each of the options.

2.6. **Major acute services at Epsom Hospital**

- **Non-financial:** All the options deliver the clinical model and associated benefits. The non-financial analysis suggests Epsom is the least favourable of the short list of options (excluding the no service comparator). In addition, there is a risk that the level of births expected for the Epsom option may impact on the viability of a level 2 neonatal unit.
- **Financial:** The Epsom option has the lowest system NPV and the second highest capital requirement.
- **Local provider impact:** The Epsom option has the highest impact on local providers outside of the combined geographies, with the highest outflow of beds and highest capital requirement.
- **Interim integrated impact assessment:** The change in median travel time is highest for the Epsom option. While the Epsom option has a lower impact than other options on older people, it has the greatest impact on deprived communities.

2.7. **Major acute services at St Helier Hospital**

- **Non-financial:** All the options deliver the clinical model and associated benefits. The non financial analysis suggests St Helier is mid-ranked of the short list of options (excluding the no service

change comparator). Building this option is the most complex of the three options, due to the difficulties redeveloping the St Helier site.

- **Financial:** The St Helier option has the lowest capital requirement of the options, but does not deliver the highest NPV of the options, with the Belmont option having a higher NPV.
- **Local provider impact:** There is a lower impact on other providers for the St Helier option than the Epsom option, although there is a higher capital requirement for other providers than the Belmont option.
- **Interim integrated impact assessment:** St Helier has the lowest impact on deprived communities, however it also has the highest impact on older people of the options.

2.8. Major acute services at Belmont

- **Non-financial:** All the options deliver the clinical model and associated benefits, with the addition of a third UTC on the Belmont site. The Belmont option ranks most highly against non-financial criteria. As a new build on an unused site, it is the simplest option to build. In addition, co-locating with the Royal Marsden Hospital offers further opportunities for joint working.
- **Financial:** The Belmont option has the highest capital requirement of the short list of options, however it also delivers the highest NPV of the options.
- **Local provider impact:** The Belmont option, located between Epsom and St Helier, has the lowest impact on other providers. It requires the least incremental capital for other providers and has the lowest net impact on numbers of beds.
- **Interim integrated impact assessment:** The median increase in travel time is lowest for the Belmont option. It has a lower impact on deprived communities compared to the Epsom option, and a lower impact on older people compared to the St Helier option.

2.9. The Improving Healthcare Together consultation on the options for delivering the clinical model and addressing the case for change was launched on 8 January 2020, for 12 weeks, and closed on 1 April 2020.

2.10. Under the Belmont site proposal, put forward as the preferred option, it was stated around 85% of current services will stay put at Epsom and St Helier, with six major services being brought together in a new specialist emergency care hospital (SECH), including A&E, critical care and emergency surgery, at Belmont. Patients will also be able to access urgent treatment via urgent treatment centres (one at Epsom Hospital, one at St Helier Hospital and one at Belmont Hospital) which will be open 24 hours a day, 365 days a year.

2.11. Findings from the independent analysis, the national audit office report, and Merton resident inputs raise concerns around:

- The validity of original business case assumptions and modelling (based on data ranging from 2011 – 2019) given changes in population demographics and health care provider capacity levels.

- Capacity of healthcare providers to cope with increased demand resulting from proposed changes.
- Mitigation measures to reduce the impact on travel times and quality of care experience for Merton residents.

2.12. The independent analysis suggests:

- There will be an increase in demand from Merton residents to neighbouring providers, with local hospitals likely serving an additional 50,000 Merton residents, which are currently performing below national standards.
- Merton's population is getting older, which is likely to further increase demand for health and social care services.
- Merton's residents, particularly those living in deprived areas, will experience increased travel times to their closest ED, Maternity and Paediatric services.

2.13. There are concerns around the additional pressure this could put on other healthcare providers in the area. The independent analysis suggests St. Georges, Croydon, and Kingston would likely serve an additional 50,000 Merton residents.

2.14. In addition, quality indicators for healthcare providers serving the Merton population indicate a decline in performance compared to 2019 levels. Emergency Department attendance times remain below the 95% target for 4h performance. Waiting times from decision to admit to admission and bed occupancy rates appear to be increasing for most providers, indicating declining capacity. This raises concerns around the ability of these providers to cope with additional demand resulting from the relocation of key services from St. Helier Hospital.

2.15. Furthermore, following the March CQC inspection, St. George's maternity services have been downgraded to "inadequate" due to inadequate safety measures, including failure to address stillbirths and severe bleeding as "serious incidents," along with concerns about staffing, triage, and leadership.

2.16. Merton has experienced key demographic changes, namely that the population is getting older (6.85% growth compared to 5.8% for entire population). This represents 27,100 people over 65 as of 2021, as opposed to 25,362 in the draft business case. The population over 65 is a key driver of both health care demand. 20-25% of A&E attendances, and 42-53% of A&E admissions, are from people over 65 years old, yet they account only 12-13% of Merton's population. There are concerns that an ageing population would put additional pressure on a health and social care system that is already under stress. The business case should re-evaluate capacity and demand models based on updated demographic and provider performance information.

3 ALTERNATIVE OPTIONS

3.1. Given all of the programme activity detailed above took place prior to mid 2020, it is the Council's opinion it does not accurately reflect the current

position on both financial and non-financial considerations. Central to this assertion is that, for a business case to be presented in 2020, the latest data it practically can be founded on is from the financial year 2018/19. This means relying on projections of demand and capacity a minimum of 11 years into the future, by the time a new hospital is operational. Any demand and capacity modelling will not at that time have been able to consider the material impact a global pandemic has had on the health service nationally and on the, now significant and fundamental shift in healthcare needs as a result.

- 3.2. Of equal importance to the Council's assertion that all services should be retained from a fully functioning and fit for purpose St Helier hospital is the current absence of any clear and appropriate capital maintenance and refurbishment programme for that site. Even if the preferred option of the business case were to materialise, and a new hospital built in Belmont, it is a stated fact in the business case that St Helier remains part of the approved clinical model, providing 85% of the services it currently provides. The Council is concerned the hospital is being managed into decline with the capital unavailable to maintain suitable buildings over the next 7 years, at least, whilst a new hospital is built and further into the future, allowing to play even the stated role within the current proposals.
- 3.3. It is the Council's clear view that redevelopment of the St Helier site is its preferred option. There are elements of the business case assessment that would support this view; The option was assessed as the least expensive capital development. This would be potentially be ever more the case now, given the significant inflationary impact of rising costs on construction in the intervening period since the business case. It is also the option that presents least impact on the residents of Merton and a reduction in demand for already stretched services at the other local major acute hospital that Merton residents access.
- 3.4. Despite the statements from the Secretary of State in May and from the Chief executives of the local hospitals since (and expressed publicly on the official hospital website) the reality of the current situation is reflected in the National Audit Office report on the New Hospitals Building programme of 17th July 2023. Although much was made of 'promises' of commitment from current government ministers in May 2023 to the project as envisaged in 2020 for a new hospital by 2024/25, the reality is that no real progress has been made.
- 3.5. The original designs were too expensive, and the project was sent back to look at utilising cheaper and faster methods for realising the hospital projects (along with all the other projects in Cohort 3 of the New Hospitals Building project). The approach termed Hospital 2.0 has however stalled, not least because of the fact that similar prefabricated techniques have been identified as flawed in the New Schools programme. This necessitated demolition and reconstruction of schools using traditional techniques. Although little public information has been made available the fact that the Construction industry has yet to approve the construction methods leaves the programme still shrouded in uncertainty.

- 3.6. Natalie Forrest, the new hospitals programme director has declared the intent to deliver a revised programme business case by the late spring/summer of 2024 but there is major challenges to achieve an approval of any draft business case until late 2025.
- 3.7. As the National Audit Office (NAO) make clear any capital funds earmarked earlier have had to be reapplied to other more urgent projects to rebuild collapsing hospitals. New funds will not be available until after the next scheduled Spending Review scheduled to *commence* in April 2025. Para 2.29 of the NAO report states *“It has been clear since the 2020 Spending Review that the schemes in cohorts 3 and 4 could not commence major capital works until after the start of the next Spending Review period in April 2025”*. This will be after the next general election, with a new government and a new health minister in all likelihood.
- 3.8. It will not be taken for granted that new ministers in a new government will be so supportive of schemes which, in the words of the NAO, has yet to *“demonstrate that this level of (increased efficiency in building and delivering complex building project) efficiency is achievable”*; in which the *“DHSC and NHS England want to shift care increasingly out of hospitals in future but do not have a funded strategy to deliver these shifts on this scale”*; and rely on NHP assumptions of *“building future hospitals with only single-bedded rooms, instead of open wards, which will enable them to run at 95% occupancy and with average patient stays reduced by 12%”*.
- 3.9. There is competition within the NHS for the limited funds, with priority being given to the most urgent replacements, and outside of the NHS, with other large infrastructure schemes vying to take up the limited construction industry capacity (likely made worse by the inflationary impacts on cost of construction and constrained access to adequate construction workforce).
- 3.10. The NAO warn the *“NHP has affordability challenges to address in its third programme business case, which may reduce the scope of future hospitals or cause it to delay more schemes until the 2030s”* and *“In developing its third business case, NHP will need to find more savings, possibly by reducing the specification of its MVP (Minimum Viable Product) version of Hospital 2.0 or by rescheduling more schemes so that they are not completed until the 2030s (paragraphs 2.25, 4.2 and 4.5)”*.
- 3.11. This is not an ideal starting point for the project. Many people involved at Merton, both in previous efforts to realise the new hospital building project, and most recently will not have been surprised at any of this and these discussions have been ongoing for many years. Following the NAO advice, a programme reset has been suggested to the local NHS leaders which would reopen consideration of less costly and more deliverable options. The Council will continue to argue this case on behalf of residents.
- 3.12. Following taking professional advice, the Council warned that the promise of getting three hospitals for the price of two was challenging; made more challenging with the current financial issues. It also warned it would be difficult to receive business case approval and that cheaper, more deliverable options should have been more seriously considered at the outset.

- 3.13. The council have continued however to express concern for the deteriorating condition of existing hospitals and the projected impact of reduced local hospital capacity for Merton residents. Paragraph 1.2 of the National Audit Office report cites the Health and Social Care Act 2008 and the NHS Constitution, NHS providers are required to comply with **legal requirements** to deliver care in a clean, secure and suitable environment that is properly maintained.
- 3.14. The Council commissioned a review of the evidence and impact assessment on the most deprived communities in Merton. The independent analysis undertaken by Newton Europe confirmed that the plans would worsen access for the most deprived but it also drew out that far from 85% of patients being unaffected the impact for those Merton residents using the most urgent services (A&E/maternity/paediatrics) would be to scatter them to alternatives outside the existing catchment area:

	Merton population served <u>now</u> (estimate)	Merton population served <u>after</u> (estimate)	Difference # Merton residents	Difference % Merton residents
St George's Hospital	173,766	197,246	23,480	14%
Kingston Hospital	63,951	99,209	35,258	55%
Croydon University Hospital	22,657	66,977	44,320	196%
St Helier Hospital	131,078	-	-131,078	-
Planned Belmont Hospital	-	28,020	28,020	-
Epsom	3,040	3,040	-	-

Table 1: *Estimate of Merton population served by provider before and after proposed changes.*

- 3.15. The proposed changes would also have an impact on Merton residents, particularly those living in deprived areas, who would have to travel further for these services. For example, Ravensbury, St Helier, and Cricket Green residents could see an increase of 10-20 mins travel time to their closest ED after proposed changes. The analysis suggests there have been important changes since 2019 that warrant a revaluation of key aspects of the business case.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. The independent analysis of the Decision-Making Business Case and Integrated Impact Assessment could only be undertaken using, in the main, publicly available data published through NHSE and NHS digital. It was therefore, in several examples, difficult to replicate demand and capacity modelling in the same way that it would have been completed for the business case. It is also much more difficult to obtain data at a single

hospital level when it is published at Trust level and therefore not easy to disaggregate. It is also acknowledged it is even more difficult to disaggregate data to a borough population when several boroughs are served by an acute hospital. So effective conclusions; on the impact of demand and capacity modelling, whether an accurate model or not; for Merton residents was a particularly difficult task in the time allowed for the this independent analysis. Impacts pertinent to Merton's residents are therefore primarily focused on the analysis of the Integrated Impact Assessment.

4.2. Nonetheless, the independent analysis did lead to a set of further questions to put to the Trust and Programme team behind the work. It also set out several further considerations that are recommended to be put to the Trust for a response in order for there to be both meaningful engagement with affected communities and local partners to the healthcare system, which finds itself under the new governance structures of an Integrated Care System with an Integrated Care Board, Partnership and Borough Committee(s).

4.3. **Governance.** Since the original business case was written, governance structures have changed from CCGs to ICBs. We would like to know what the new process and governance structure for developing and signing of the new business case would be, including:

- What stage gates will the formal approval go through and what will be the considerations at each stage e.g., clinical model, demand and capacity, financial case.
- What is the plan for local engagement during the development and approval of the revised business case, given our local agreements and relationships.

4.4. **Demand and Capacity modelling.** It is essential to ensure that the new hospital provides high-quality care for the population, and that capacity would meet expected demand. Updated view of demand and capacity is required to cover the period up to (as a minimum 2029/30) for entire population (given demographic changes in the population and care model performance). Including how demand will be met.

- What is the overall bed/staff requirement for the target population – at system level?
- The NAO report indicates some planned hospitals will not have enough capacity to meet future demand. How will future demand be met under proposed plan?
- What does the updated acute and community models of care look like, and how has it performed since the development of the draft business case. Have they helped with acute demand reduction, as envisioned in the business case?
- Can the data sources, used for the business case demand and capacity analysis and work force assumptions be shared to support local planning?

- Have workforce changes since the development of the draft business case affected the business case strategy and assumptions around workforce requirements?
- 4.5. It is essential to ensure that the neighbouring care providers can deliver quality care for residents, and were necessary, have appropriate investments plans and funds to carry them out. We require an updated view of demand shift to neighbouring providers were the proposed changes to be implemented. Providing details on data used for bed and capacity modelling, as well as assumptions used.
- 4.6. During the 2019 IIA – provider boards believed they could cope with additional demand under the Belmont option – provided investments were made. The independent analysis suggests St. Georges, Croydon, and Kingston would likely serve an additional 50,000 Merton residents. In addition, quality indicators for healthcare providers serving the Merton population indicate a decline in performance compared to 2020 levels. ED attendance times remain below the 95% target for 4h performance. Waiting times from decision to admit to admission and bed occupancy rates appear to be increasing for most providers, indicating declining capacity. Additional evidence required includes:
- *Update on investment plans and/or implemented changes since Business Case from neighbouring providers to cope with increased demand. Including the capital investment and delivery plan for St Helier Hospital through to 2030, when the new site is due to be completed.*
 - *Are provider boards still confident they can deliver care to population if demand increases? Including appropriateness of investment plans and funding required to implement them.*
- 4.7. **Inequalities.** The proposed changes would also have an impact on Merton residents, particularly those living in deprived areas, who would have to travel further for these services. For example, Ravensbury, St Helier, and Cricket Green residents could see an increase of 10-20 mins travel time to their closest ED after proposed changes. What specific travel time increase mitigation measures are proposed for Merton residents living in deprived areas?

5 TIMETABLE

- 5.1. This report is on the agenda for Cabinet for 16 November

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. There are no direct financial implications for the Council.
- 6.2. The key financial considerations of the business case relate to the capital allocation currently approved for the new hospital proposal and the capital provided to maintain St Helier in an adequate state of repair to continue to provide services, fit for 21 century health care and that are of high quality given the stated intent that St Helier remains a critical part of the overarching

clinical model, irrespective of whether a new hospital is situated on the St Helier site.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. n/a

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. There are no direct implications for the Council.

8.2. The integrated impact assessment referred to throughout this report was undertaken as part of the Improving Healthcare Together programme and is available here: [Final Integrated Impact Assessment Report - Improving Healthcare Together](#)

8.3. The independent analysis has drawn attention to a number of inequalities that would arise from the proposals in their current form. These centre on equity of access to adequate healthcare facilities and the impact on relocation of vital services on things such as extended travel times, which are shown to disproportionately affect residents from some of the most deprived wards of the borough. Further lobbying of the programme, to revisit the integrated impact assessment, will be pursued.

9 CRIME AND DISORDER IMPLICATIONS

9.1. n/a

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. n/a

10.2. n/a

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

1. Newton Europe Independent Analysis report.

12 BACKGROUND PAPERS

12.1. [Home - Improving Healthcare Together](#). This is the website for the local programme associated with the proposals, the process of consultation, engagement and decision making.

12.2. [40 new hospitals - NHS Recovery : NHS Recovery \(dhsc.gov.uk\)](#). This is the national Government website detailing the new hospital programme across the country.

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Merton LBM – New Hospitals Programme

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Introduction

Background

As part of the New Hospitals Programme, Epsom & St Helier FT, serving both SW London & Surrey ICBs, has outlined plans to construct a new Specialist Emergency Care Hospital in Belmont by 2030. While this proposal aims to enhance specialised care, it raises concerns about the consequences for St Helier Hospital, which would lose its Emergency Department (ED) and relocate Paediatric and Maternity services.

Merton residents have voiced apprehensions about the potential impact of these changes on their community. Notably, there are concerns that accessing the new A&E facility might pose challenges, particularly from a perspective of travel time and addressing existing inequalities. Additionally, questions have emerged about the suitability of the original Business Case, developed in 2019 before the onset of COVID-19, and published in June 2020. It is being questioned whether this case relies on outdated data and fails to adequately address the evolving needs of Merton's residents, particularly those who are socioeconomically deprived.

In July 2023, the National Audit Office (NAO) released a report examining the status of the New Hospital Programme. The report highlighted that certain schemes initially promised for 2025 are now experiencing significant delays, casting doubt on their completion by the designated 2030 timeline. Moreover, concerns have been raised about the assumptions guiding the NHP's "model of care shifts," with potential ramifications for accommodating the rising demand due to an aging population, ultimately leading to a potential capacity shortfall.

This context calls for an Independent Analysis to critically assess the Business Case and address three key questions to ensure a comprehensive evaluation of the proposed Specialist Emergency Care Hospital and its implications for the local community.

Scope of Independent Analysis

The purpose of the independent analysis is critically assessing the Business Case and address three key questions to better understand the implications of the proposed Specialist Emergency Care Hospital in Belmont for the local Merton community. The review team has been commissioned to:

- Review key documents including the Joint Strategic Needs Assessment (JSNA), Kings Fund report, and the business case. Evaluate how current the data used for the initial documents still is and ascertain whether it requires updating.
- Develop an understanding of the implications of the proposed changes (i.e., moving A&E, maternity, and paediatric services to Belmont) for Merton residents. The following three hypotheses were developed to investigate this, based on latest available data:
 1. Travel Times and Deprivation: Understanding how the proposed changes could impact Merton residents, in terms of travel times, particularly where this intersects with deprivation, and thereby anticipated demand on other local hospitals.

2. Care Quality & Volumes: Understanding how the proposed changes could impact the quality of care and experience of Merton Residents in accessing ED, Paediatric and Maternity services, given available data.
3. Merton's Changing Population: Building on the King's Fund report and Merton's story, understanding how Merton's population has changed since 2019 (latest available dataset at the time of drafting the business case). Including any key trends and accompanying link to potential demand impacts.

This report is a detailed compilation of findings from the above activities. The report also includes a description of the methodology, sources, and limitations of this review, as well as recommended next steps for further analysis. Notably, weekly collaboration sessions were held with Merton Council Staff members to ensure analysis was progressing in line with the agreed scope and to provide local context and understanding.

It is important to note that the purpose of this report is not to determine the appropriateness of the proposed changes. But to provide an updated information that can assist decision-makers in promoting and protecting the wellbeing of the local communities in which they serve.

Executive Summary

Background

- Epsom & St Helier FT is planning to build a new Specialist Emergency Care Hospital in Belmont by 2030.
- This proposal would mean that St Helier Hospital would lose its Emergency Department (ED) and relocate Paediatric and Maternity services. Other services would remain, and residents would continue using them.
- Merton residents have raised concerns about the potential impact of these changes, including travel time, quality of care, and the needs of socioeconomically deprived residents.
- Merton council has also raised concerns about the suitability of the original Business Case, which was developed using data ranging from 2011 to 2019 and before the onset of COVID-19.

Scope of Independent Analysis

- The Independent Analysis will assess the Business Case and relevant key documents used as input for the business case, as well as address three key questions:
 - How will the proposed changes impact travel times for Merton residents, particularly those who are socioeconomically deprived?
 - How will the proposed changes impact the quality of care and experience of Merton residents in accessing ED, Paediatric and Maternity services?
 - How has Merton's population changed since the publication of the draft business case, and what could be the implications for demand for healthcare services?
- The purpose of the Independent Analysis is to provide updated information that can assist decision-makers in promoting and protecting the wellbeing of the local communities in which they serve.
- The report does not determine the appropriateness of the proposed changes, but it does highlight the need for further analysis and consideration of the potential impact on Merton residents.

Summary of findings

Travel Times & Deprivation

- Travel times to the nearest hospital are expected to increase by 2-6 minutes for driving and 2 minutes for public transport, on average across Merton borough (more detailed information at ward level found through the report).
- Three of the most deprived wards will see a > 5-minute increase in average public transport and driving travel time (with an upper range of 20 mins increase during heavier traffic for some wards like Ravensbury). People living in deprived areas are up to twice as likely to attend ED services.

Care Quality and Volumes

- St. Georges, Kingston, and Croydon combined would likely serve ~50K additional Merton residents after proposed changes. Notably, this would just be expected for ED, Inpatient maternity and paediatric services no longer offered at St. Helier after changes. Further analysis is required to validate this and quantify expected net impact for neighbouring hospitals.
- Quality indicators for the hospitals expected to see an increase in demand are below national standards and, in some cases, performance is declining. ED attendance times remain below the 95% target for 4h performance. Waiting times from decision to admit to admission and bed occupancy rates appear to be increasing for most providers, indicating declining capacity.
- Attendance levels appear to be increasing (per latest reports for 21-22 year), slightly surpassing pre-COVID levels. Whilst overall admission levels appear to be decreasing, bed occupancy rates and average length of stay metrics appear to be increasing, suggesting additional capacity constraints.
- Following the March CQC inspection, St. George's has been downgraded to "inadequate" due to inadequate safety measures, including failure to address stillbirths and severe bleeding as "serious incidents," along with concerns about staffing, triage, and leadership.¹ An increased number of Merton residents would be expected to use St. George's maternity service after these services are relocated from St Helier.

Merton's Changing Population

- Growth in populations considered to drive ED Demand (over 65, 6.85%) and maternity services demand (Female, 6%) is higher than overall population growth (5.8%).
- Growth in <16 population (2.9 %) for Merton is lower than expected (> 5.8%), and births are declining (from 1.8 to 1.5).
- No additional major changes from IIA analysis of Merton demographics were identified during this review.

Implications

- The proposed changes are likely to have an adverse impact on travel times (+2 to 6 min on average) and hospital access for Merton's population.
- The impact of the changes on people living in deprived areas is likely to be more significant, as their increase in travel time is expected to be higher (up to +20 min, given traffic conditions) and they are more likely to use ED services.
- Quality indicators for hospitals expected to see an increase in Merton demand is below national standards and, in some cases, performance is declining. Merton experience and quality of care could be affected if appropriate mitigation actions are not taken.
- The changing population of Merton is likely to put further pressure on hospital and health care system.

¹ <https://www.hsj.co.uk/st-georges-university-hospitals-nhs-foundation-trust/staff-let-down-by-leaders-as-chaotic-service-gets-double-downgrade/7035375.article>

Recommendations

- Further analysis – building on this report – should provide more detailed understanding and validation of findings. Including:
 - Postcode level hospital usage and capacity modelling using more granular level data (e.g., postcode level hospital usage data).
 - Understanding the demand and capacity planning for in-scope services on a hospital-by-hospital level (this granularity of data was not available for this analysis)
- Undertake detailed work with neighbouring NHS providers to understand their ability to accommodate any changes in activity and the impacts for them.
- Work with neighbouring NHS providers to understanding the scope and status of investment plans discussed during the development of the original business case – which were deemed necessary at the time to successfully cope with increasing demand.
- Strategies should be developed to address the needs of the changing population of Merton.
- Consideration should be given to providing additional transport options to and from wards with expected higher travel times (e.g., Ravensbury, Cricket Green and St Helier), to mitigate the impact of the proposed changes. This could be a targeted initiative, considering a smaller proportion of residents are expected to experience a significant change in travel times.

Methodology & Approach

To achieve the objectives of this independent analysis, the team performed an in-depth review of key documents related to the proposed £500 million investment, a data collection and analysis exercise, and collaboration sessions with key Merton Council Staff members. The approach involved the following steps:

Key Documents Review

A comprehensive review to examine the following key documents²:

- IHT Decision-Making Business Case – version published June 2020
- IHT Integrated Impact Assessment
- IHT Equality Scoping Report/Joint Strategic Needs Assessment (JSNA)
- King's Fund Health Inequalities Review
- The Merton Story³
- Other relevant documents reviewed include:
 - Improving Healthcare Together 2020 - 2030 Impact on other providers⁴
 - Progress with the New Hospital Programme Department of Health & Social Care⁵

The primary objective of the key document review was to evaluate the original Business Case developed in 2019 (published in June 2020) and assess the assumptions and relevance of the data

² <https://improvinghealthcaretogether.org.uk/important-documents/>

³ Provided by Merton Council

⁴ <https://improvinghealthcaretogether.org.uk/wp-content/uploads/2019/07/Impact-on-other-providers-a-summary-assessment.pdf>

⁵ <https://www.nao.org.uk/reports/progress-with-the-new-hospital-programme/>

used considering the current context. It also helped the team identify knowledge gaps and inform areas for investigation in this and recommended subsequent analysis.

Data Collection & Analysis

To address the three key hypotheses and evaluate the implications of the proposed changes, the team collected the most recent publicly available health and socio-demographic data for Merton's population and NHS providers. Sources include Merton Council, Greater London Authority, NHS Digital and The Office for National Statistics (ONS). This data was used to analyse trends in population changes, population size and key demographic factors, healthcare usage, and quality of care.

In addition, to enable the travel time analysis associated with hypotheses 1 & 3, the team used google maps travel API data and python programming language to quantify journey times (at postcode level and LSOA), primarily to the following hospitals:

- St George's Hospital (Wandsworth)
- St Helier Hospital (St Helier)
- Kingston Hospital (Kingston)
- Croydon University Hospital (Croydon)
- (Planned Belmont Hospital site)

Notably, analysis was primarily focused on the above location given their proximity to Merton residents and the services offered to the population (ED, Maternity, Paediatrics). Further analysis was conducted for other locations that also offer Maternity and Paediatrics services within a 10-mile radius Merton Park. A full list is included in the appendix section of this report.

Limitations

There are data availability and approach limitations that are worth noting, as they limit the level of detail the analysis can reach and the certainty of some conclusions. However, with additional data, most of these limitations could be overcome in subsequent analytical work – building on this report. The main limitations are:

- No access to hospital level data. Implications include:
 - Limitation on travel time impact analysis. The team was not able to accurately analyse hospital level usage for Merton's population.
 - Limitations on hospital capacity and volumes. Without hospital and resident level information, it is not possible to confidently assess the potential increases in demand to hospitals adjacent to the Merton community after proposed changes. Analysis on this should be treated as estimates. Further analysis – building on this report – would provide more detailed understanding and validation of findings.
- Focus on Merton population:
 - Per the scope of work for this review, the analysis focused on the implications for the Merton population from the proposed changes. Notably, residents from communities outside of Merton are also likely to experience changes (whether positive or negative effects) from the proposed changes. This analysis has not investigated such implications, nor has it reviewed the other two options initially proposed in the business case (i.e., the St Helier and Epsom options).
- Unclear sources and qualitative statements in some key documents reviewed:

- In some instances, the source of information used in key documents is not clear, which limits the extent to which the team can validate and/or assess the current validity of the information.
- Some statements related to assumptions or impact assessment do not include quantitative information (e.g., “impact is likely to be moderate”). This limits the extent to which the team can assess the validity or magnitude of some implications.

Collaboration with Merton Council Staff

Throughout the review process, the team maintained close collaboration with Merton Council Staff members. Weekly engagements and review sessions were conducted to ensure analysis was progressing in line with the three hypotheses and to ensure local context and understanding.

Recommendations and Next Steps

Based on the findings, the report presents recommendations for further analysis or actions. These recommendations will be directed towards decision-makers and stakeholders to facilitate informed decision-making that promotes the wellbeing of the local Merton community.

It is important to reiterate that the primary aim of this report is not to determine the appropriateness of the proposed changes but to provide updated information that can assist decision-makers in making informed choices to serve the best interests of the communities they represent. The analysis aims to be comprehensive, transparent, and impartial in its approach to ensure the integrity of the findings and recommendations.

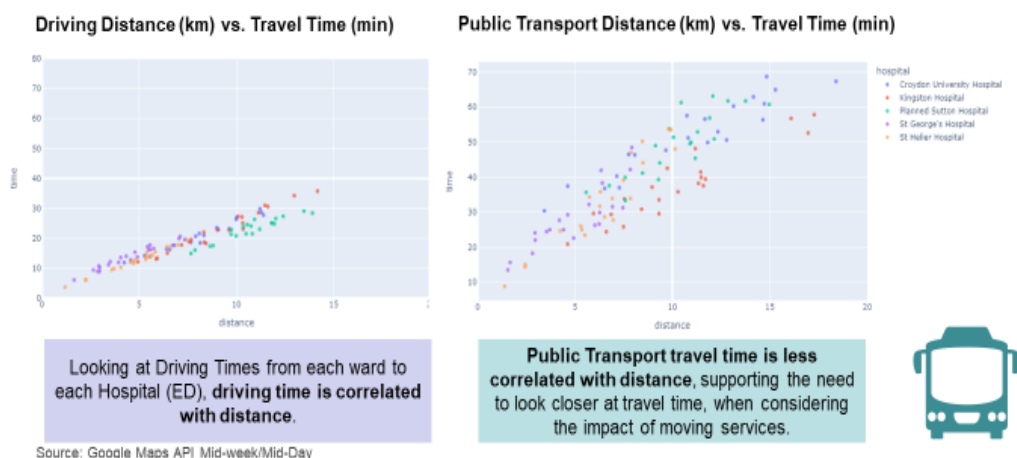
Findings

H1.1 Travel Time Implications

This section of the report focuses on understanding potential implications of proposed changes to Merton residents, in terms of travel times, particularly where this intersects with deprivation (and health inequalities). It also aims to understand potential implications for demand changes on hospitals adjacent to Merton.

Notably, previous Merton analysis has been based on understanding of distance to the proposed Belmont site “as the crow flies”. A correlation analysis between distance and journey time suggests that, while driving times are strongly correlated with distance, public transport travel times are not very strongly correlated. In addition, travel times (as opposed to distance) was used as input for the draft business case published in June 2020. Therefore, travel times have been used as the main metric for this section of the analysis.

While driving travel time correlates with distance, public transport travel time is less correlated.



Source: Author calculation. Based on Google API travel time analysis

Noting that Merton residents use a mix of modes of transportation, we have analysed travel times for both driving and public transport.

Noting that Merton residents use a mix of modes of transport, we've analysed travel times for public transport and driving

Transport preferences vary

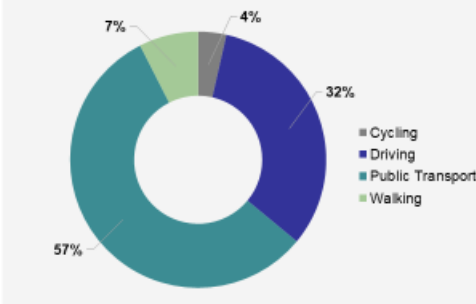
32% of residents **drive to work**

33% of Merton households **do not own a car***

57% of people **prefer to use public transport**, when traveling to work.

Note: This will not necessarily be how they travel to hospital as individuals' preferences could be affected by a wide range of factors – time of day, convenience, direction etc.

How do Merton Residents travel to work?



*Source: LSOA level 2021 ONS



The approach involved: (i) identifying the shortest travel time to each hospital (a) before and, (b) after proposed changes for each postcode; (ii) for each location, travel times were retrieved for different times of the day (e.g., Mid-Day, 17:30 and 23:00) to account for different traffic and transport availability conditions; (iii) the travel time results were aggregated at Merton LSOA and ward levels to enable analysis and comparison of average travel to the most convenient hospitals.⁶

What are the travel time implications for people traveling to their closest ED, and In-Patient Maternity or Paediatric services after the proposed changes?

On average, public transport and driving travel time to the nearest hospital is expected to increase by c. 2 minutes, and 2-6 minutes, respectively. From an average driving time of 10-20 mins before to 12-24 after proposed changes. And an average public transport travel time of 25 mins (from 23 mins before proposed changes). Notably some wards would experience higher increases in travel times (see table 1 and appendices 1A-1C).⁷

⁶ Note: This analysis focuses on average travel time (at different times of day), and does not account currently for a wider range of factors affecting someone's transport use, e.g., number of changes, cost, reliability etc. In addition, a range is provided for driving time to account for low to heavy traffic conditions.

⁷ Source: Google Maps API July 2023

Table 1 – Difference in average travel times before and after proposed changes

	Before	After	Difference
Merton Average	10 - 20 mins	12 - 24 mins	+ 2 to 4 mins
Longest Raynes Park	15 - 34 mins	18 – 40 mins	+ 3 to 6 mins
Merton Average	23 mins	25 mins	+ 2 mins
Longest West Barnes	42 mins	42 mins	None

The analysis suggests that for both travel methods (public transport and driving) average journey times are expected to be slightly higher for Merton residents after proposed changes – regardless of time of the day.

Transport Method	Metric	Scenario	Noon	Rush Hour	Night	Range	Diff (range)	Min Travel Time Impact	Max Travel Time Impact
Driving*	Average (average traffic)	Current	15.2	16.1	14.0	14.0 - 16.1	2.0	2.8	3.3
		After Proposed Changes	18.5	19.4	16.8	16.8 - 19.4	2.5		
	Max Travel (heavy traffic)	Current	29.2	34.3	25.6	25.6 - 34.3	8.8	5.9	6.4
		After Proposed Changes	36.9	40.7	31.5	31.5 - 40.7	9.3		

8

Transport Method	Metric	Scenario	Noon	Rush Hour	Night	Range	Diff (range)	Min Travel Time Impact	Max Travel Time Impact
Public Transport	Average	Current	23.2	24.6	19.8	19.8 - 24.6	4.8	2.2	1.7
		After Proposed Changes	25.5	26.4	22.0	22.0 - 26.4	4.4		
	Max Travel	Current	36.2	41.9	33.9	33.9 - 41.9	8.0	None	None
		After Proposed Changes	38.2	41.9	33.9	33.9 - 41.9	8.0		

Implications of traveling at different times of days are similar before and after proposed changes (e.g., traveling on public transport during rush hours adds ~+4 min to journey, compared to traveling at nighttime. It is the same ~+4 mins difference before and after proposed changes)

⁸*Note: Travel times for driving have been calculated with average and heavy traffic conditions

H1.2 Travel time and deprivation

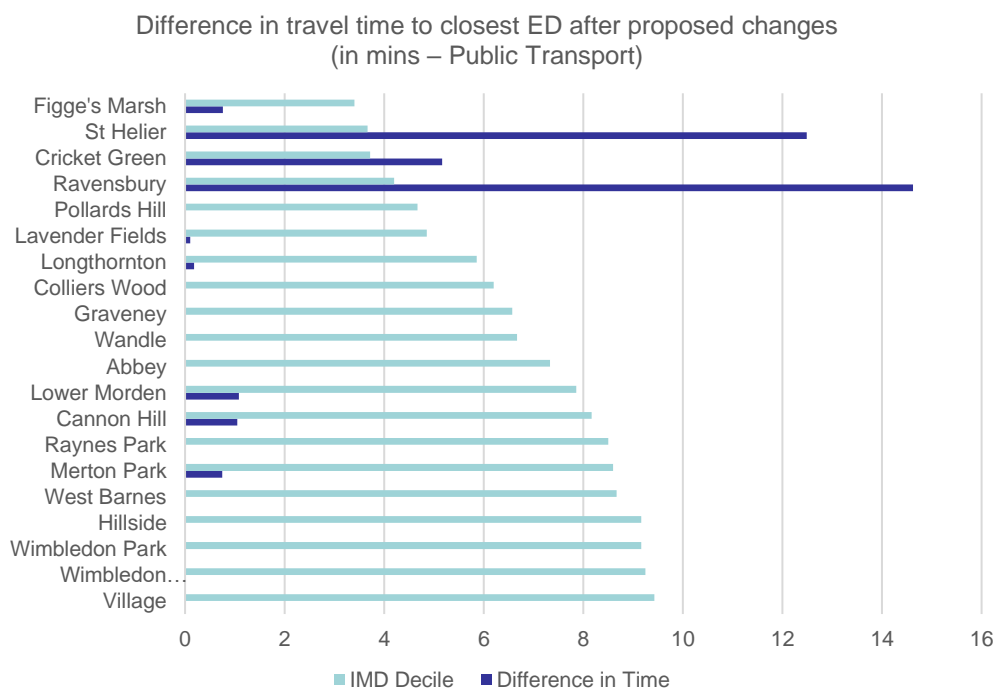
There are questions within Merton about the impact this could have on Merton residents – e.g., residents may face barriers to accessing the new A&E, with a particular consideration for potential implications from a health inequalities and deprivation lens.

*The Integrated Impact Assessment found that: “**Moderate adverse - short increases largely linked to public transport travel for a large proportion of the population living across the study area. Will likely have a greater impact on deprived communities when traveling by public transport**”.*

To explore this lens, the relationship between deprivation and travel time was investigated. Findings indicate that three of the most deprived wards in Merton (i.e., St. Helier, Cricket Green and Ravensbury) are likely to experience a higher increase in travel times than the rest of Merton residents:

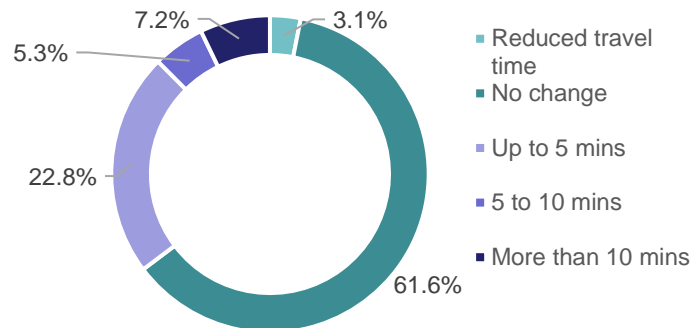
For public transport Ravensbury residents are likely to experience an average increase of 15 mins (from an avg. travel time of 14 to 29 mins), residents of St Helier an average increase of 12 mins (from an avg. travel time of 14 to 26 mins), and residents of Cricket Green an average increase of 5.5 mins (from an avg. travel time of 22.5 to 28 mins) compared to the average 2-4 min increase for Merton.

Figure 1 Difference in travel time to closest ED after proposed changes (Public Transport)



The affected population (>5-min travel time) across all wards is 26,900 (12.5%) people, compared to 165,000 (61%) who are likely to experience little to no impact.

Figure 2 – Public Transport time change, as percentage of Merton Population

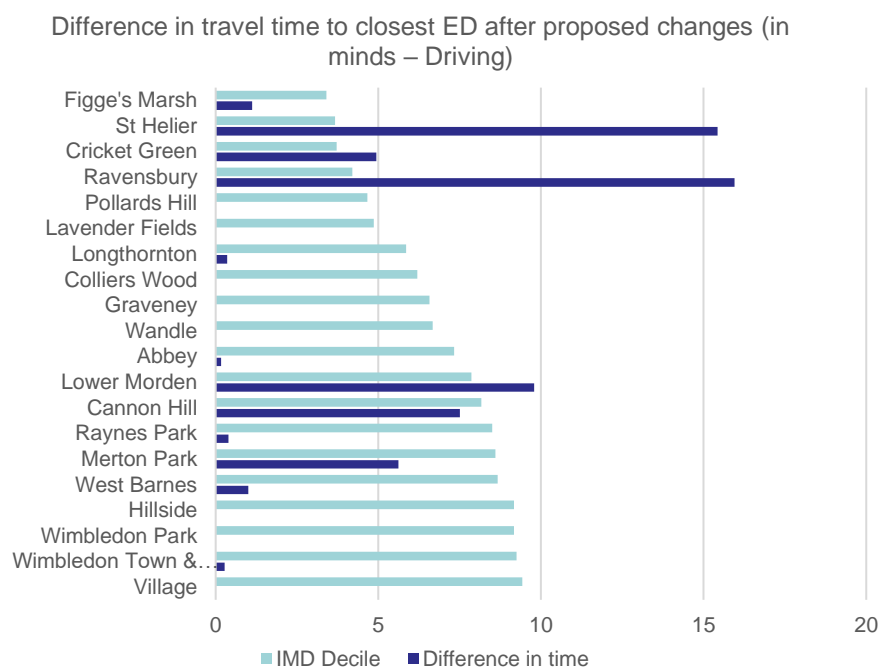


For residents traveling by car, 24% are likely to experience an increase of 5 mins or more in average driving time to their nearest ED, or in-patient Maternity and Paediatric services.

Like public transport travel times, three of the most deprived wards are likely to experience higher than average increases in travel time by car. Ravensbury residents are likely to experience an average increase of 16mins (from 8 to 24 mins), St Helier residents and average increase of 15 mins (9 –24 mins) and Cricket Green residents an average increase of 5 mins (from 15 to 20 mins). Other wards, with lower levels of deprivation are also likely to experience higher than average increases; namely Lower Morden (from 14 to 24 mins), Cannon Hill (from 18 to 25.5 mins) and Merton Park (16 to 21.5 mins).

The affected population (>5-min travel time) across all wards is 51k (24%) people, compared to 130K (60 %) who will experience no impact.

Figure 3 - Difference in travel time to closest ED after proposed changes (Driving)



The fact that most deprived wards are likely to see a higher increase in travel times is important to note. Considering that:

“Analysis shows a clear and consistent association of higher rates of A&E attendance for those living in the more deprived communities” (Business case)

“There were around twice as many attendances to A&E departments in England for the 10% of the population living in the most deprived areas (3.0 million), compared with the least deprived 10% (1.5 million)” (Source: ECDS*)

What are the potential implications for neighbouring providers after the proposed changes?

Demand from Merton residents currently using ED, Maternity and Paediatric Services at St. Helier is expected to shift to neighbouring providers (e.g., St. George’s, Croydon, and Kingston Hospitals) as well as the proposed new site at Belmont.

To address this question in a comprehensive way, postcode level hospital usage data for Merton and non-Merton residents would be required – which for this analysis was not available. Therefore, publicly available data as well as google maps API travel time data was used to estimate demand shift from Merton residents to neighbouring providers.

The analysis assumes that each member of the population is “served” by their two closest hospitals. Notably, for this reason, the numbers below add up to twice Merton’s population size. Closest hospital was calculated using travel time analysis data at postcode level and population size was calculated using LSOA level (ONS 2021) population statistics. The intent being to give an indication if the change in Merton resident demand on each hospital.

Notably, NHS Maternity & Paediatric pathways enable more control over where this demand goes. Therefore, it is less likely that demand for these services will shift in the same way as ED services. However, residents may still experience longer travel times for all services.

Pre-liminary analysis indicates that St. Georges, Kingston, and Croydon combined would likely serve ~50-55K additional Merton residents (out of ~215K population) – for services moving out of St. Helier (i.e., ED, Maternity and Paediatrics). **Net impact to hospitals would need to consider changes in demand from non-Merton residents, this is not included in this analysis.**

Figure 4 - Estimate of Merton population served by provider before and after proposed changes.

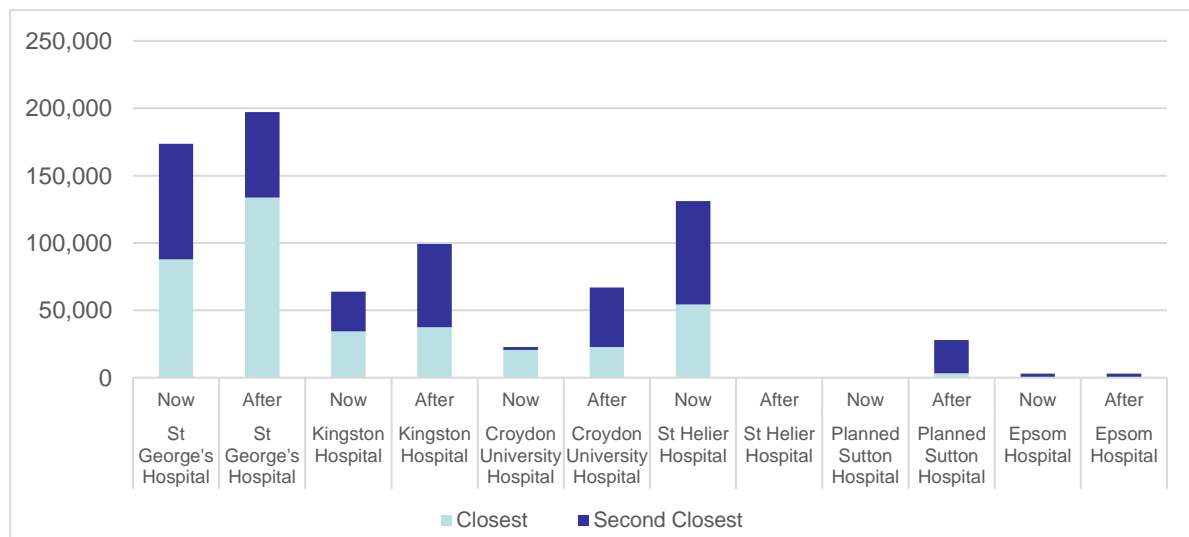


Table 2 - Estimate of Merton population served by provider before and after proposed changes.

	Merton population served now (estimate)	Merton population served after (estimate)	Difference # Merton residents	Difference % Merton residents
St George's Hospital	173,766	197,246	23,480	14%
Kingston Hospital	63,951	99,209	35,258	55%
Croydon University Hospital	22,657	66,977	44,320	196%
St Helier Hospital	131,078	-	- 131,078	-
Planned Belmont Hospital	-	28,020	28,020	-
Epsom	3,040	3,040	-	-

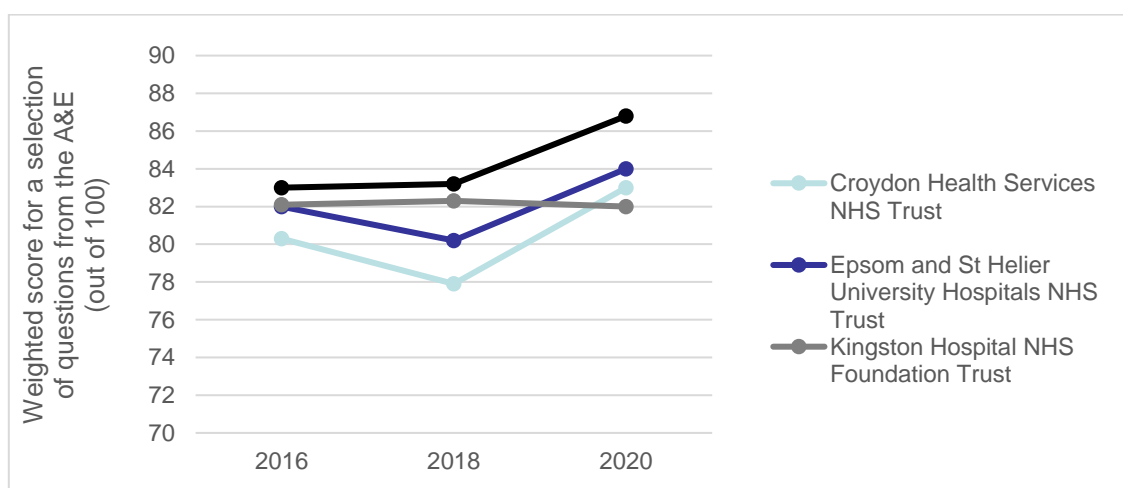
In addition to convenience based on travel times, resident preferences might also influence where demand will shift. For example, during consultation focus groups, some residents expressed a preference for St. George's over Croydon:

[St Georges was perceived as having a better reputation] "If it moves from St Helier the majority of Merton will move to St Georges. Our local hospital will change and put a lot more pressure on St Georges" (Those from the two highest quintiles of deprivation focus group, Merton)

Source: Improving Healthcare Together (2020-2030) Final Integrated Impact Assessment, June 2020

This is consistent with patient experience survey data, where St. George is reported to have the highest patient experience score.

Figure 5 - Patient Experience of A&E services by provider



Source: NHS outcomes framework indicator 4.3: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-outcomes-framework> - Unit: the average weighted score for a selection of questions from the A&E (score out of 100)

During the 2019 IIA - neighbouring providers believed they would be able to cope with additional demand under Belmont option – provided investments were made.

“Each provider has stated that all options would be deliverable with the right level of investment and mitigations, while noting the scale of the challenge and investment varies by option” (IIA 2019)

“[Under the Belmont option] Impacts are distributed more evenly across providers in both London and Surrey. This is driven by the location of the Belmont site, in between the Epsom and St Helier sites. There is also some additional activity currently at Croydon Hospital that would use the new Belmont Hospital as its nearest site. A small amount of additional capacity and associated capital investment is needed for each provider to accommodate additional demand.” (IIA 2019)

<i>Provider</i>	<i>Provider board conclusions (Provider Impact Assessment – 2019)</i>
<i>St George’s</i>	<i>The Board believes all options are deliverable and identified that providing major acute services at Epsom would have a high impact, Belmont a high to medium impact and St Helier a low impact. The impact included a significant capital investment requirement for the Epsom option.</i>
<i>Kingston</i>	<i>The Board expects broadly consistent medium to low impacts across the three options, with limited differentiation between them.</i>
<i>Croydon</i>	<i>The Board identified a low impact for the St Helier option, medium for the Belmont option and a high impact for the Epsom option. It stated that while all three options are deliverable, there are challenges with the Epsom option, which would require significant capital investment.</i>

H1- Areas for further investigation

- ❖ Findings suggest there would be a shift in Merton resident’s demand to neighbouring providers. Conclusive numbers on net demand changes for each hospital is not possible without additional on hospital usage at postcode level. Further analysis – building on this report, and business case documentation –is recommended to update demand and capacity models for hospitals to ensure expected changes in demand (from Merton and Non-Merton residents alike) are accounted and mitigated, were possible.

H2. Care Quality & Volumes

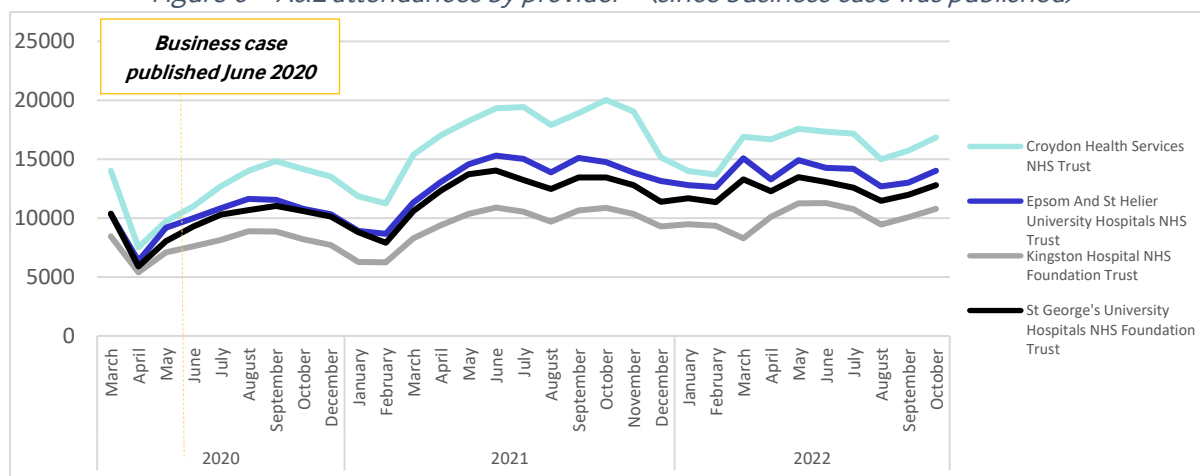
This section of the report focused on understanding how the proposed changes could impact the quality of care and experience of Merton Residents in accessing ED, Paediatric and Maternity services. The analysis investigated trends in A&E attendance and admission volumes, in-patient length of stay, as well as different metrics associated with quality of care and patient experience for hospitals that would expect to see increased demand from Merton residents, namely:

- St George’s Hospital
- Epsom & St Helier Hospitals
- Kingston Hospital
- Croydon University Hospital

Note that the analysis is based on Trust-level data, as Hospital-level data is not publicly available.

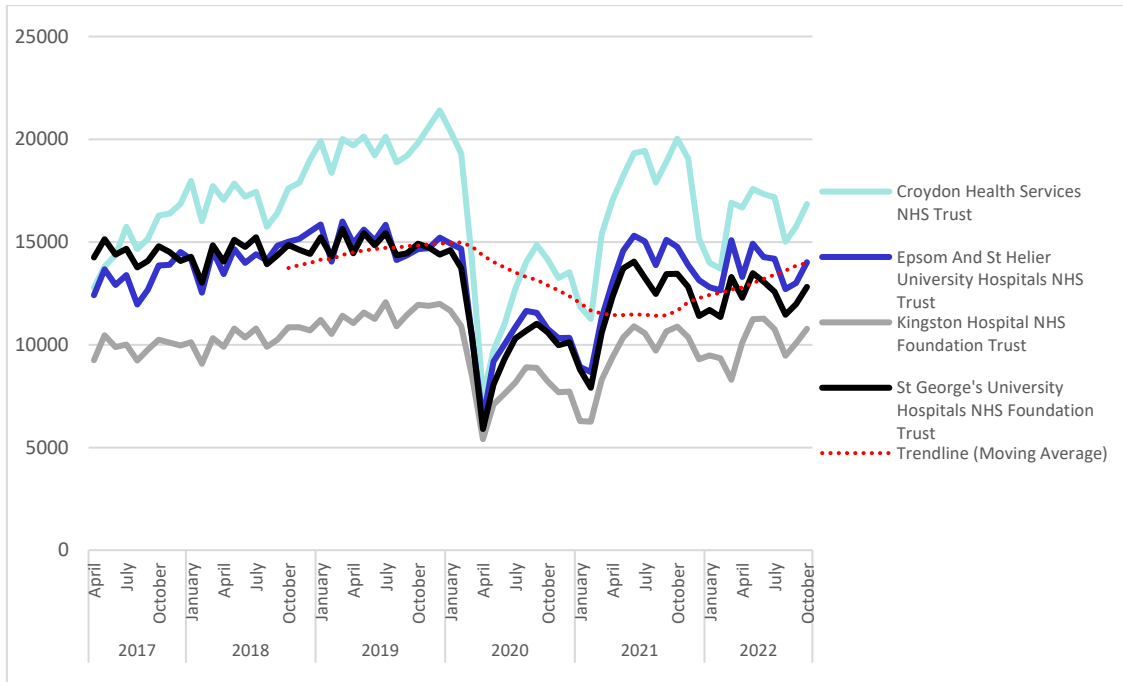
A&E attendance numbers since the development of the original business case (developed in 2019 and submitted in June 2020) indicate an increasing trend in A&E activity for all neighbouring providers (see Figure 6– attendances since business case submission). Notably, during Covid-19 A&E attendances decreased significantly – attendances have now surpassed pre-covid levels (~5% increase from 2018-19 levels) (see figure 7 below).

Figure 6 – A&E attendances by provider – (since business case was published)



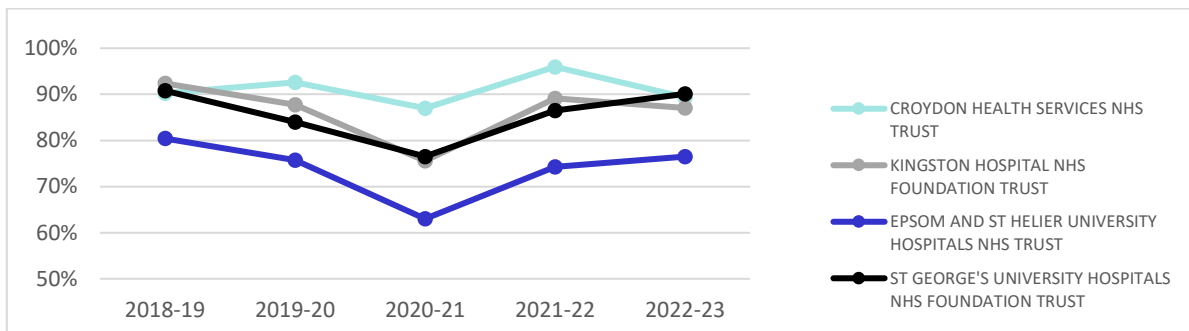
Source: NHS Digital, Emergency Care Data Set (ECDS) statistics - 1st March 2020 to 31st March 2022

Figure 7 - A&E attendances by provider – before and after COVID-19 pandemic⁹



In addition, bed occupancy rates for all providers have also increased, to levels above the national targets. Notably, a downward trend observed before the COVID-19 pandemic has mostly reversed.

Figure 8 - Percent of beds occupied (Total Beds) by provider.¹⁰



The analysis suggests that emergency total emergency admission volumes are decreasing, for all providers – see Figure 10 below. However, admission rates for specific conditions (e.g., admissions for children with lower respiratory tract infections) are increasing – see Figure 11 below. Furthermore, whilst admissions are decreasing, the average length of stay (LOS) for emergency admissions has increased significantly since the development of the business case – see Figure 12. This trend is relevant given that the business case ‘*bed modelling to 2029/30 [was] based on continuing trends in activity growth, QIPP and incremental length of stay reductions*’ – also see Figure 9 below.¹¹

⁹ NHS Digital, Emergency Care Data Set (ECDS) statistics - 1st March 2020 to 31st March 2022

¹⁰ <https://www.england.nhs.uk/statistics/statistical-work-areas/bed-availability-and-occupancy>

¹¹ June 2020 Version of Business Case – page 93.

Figure 9 - Business case reference (Care Model)

“An effective consultant-led model of care has been shown to be more efficient in delivering care, with decreased length of stay, more efficient use of beds, decreased rates of readmission and decreased need for patient follow-up. Consultants are central to educating new doctors and developing research and innovation” (Business Case, June 2020)

Figure 10 - Total Emergency Admissions by Provider

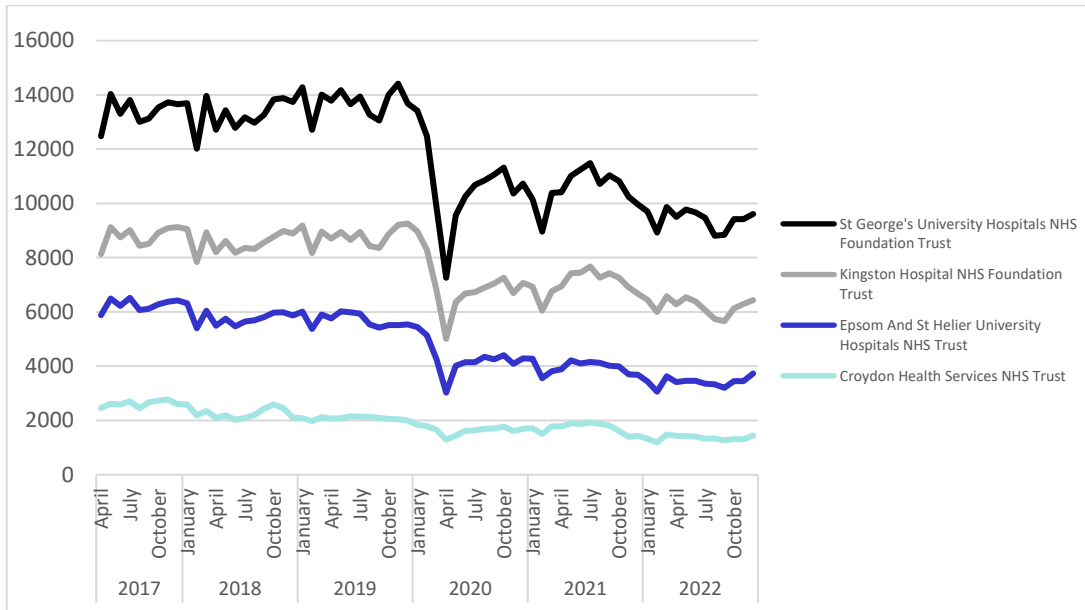
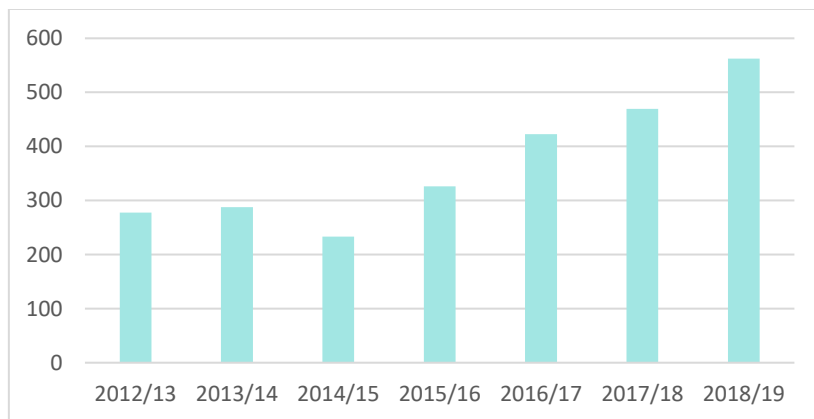
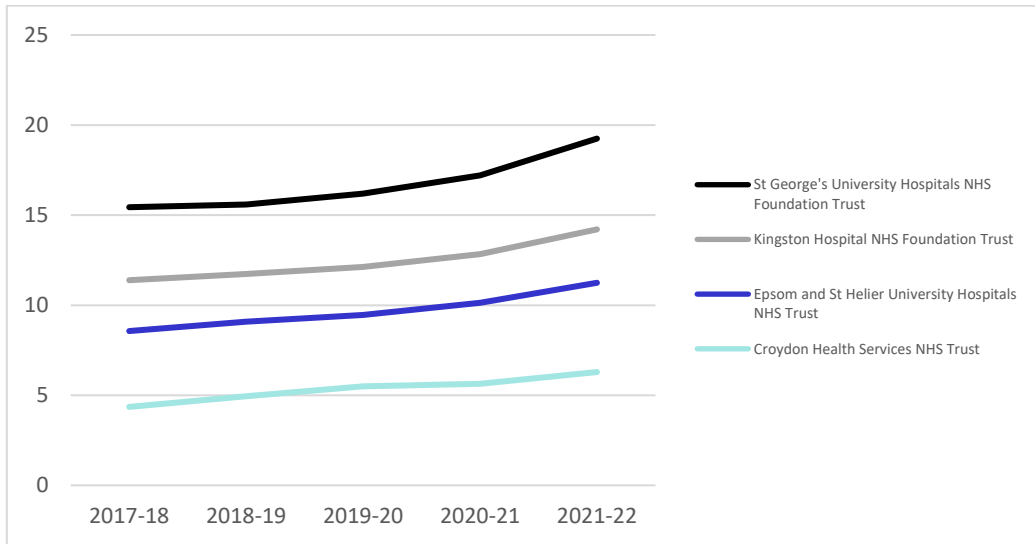


Figure 11 - Emergency admissions for children with lower respiratory tract infections (LRTI) - per 100k in Merton population.¹²



¹² <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-outcomes-framework/march-2022/domain-3---helping-people-to-recover-from-episodes-of-ill-health-or-following-injury-nof/3.2-emergency-admissions-for-children-with-lower-respiratory-tract-infections-lrtis>

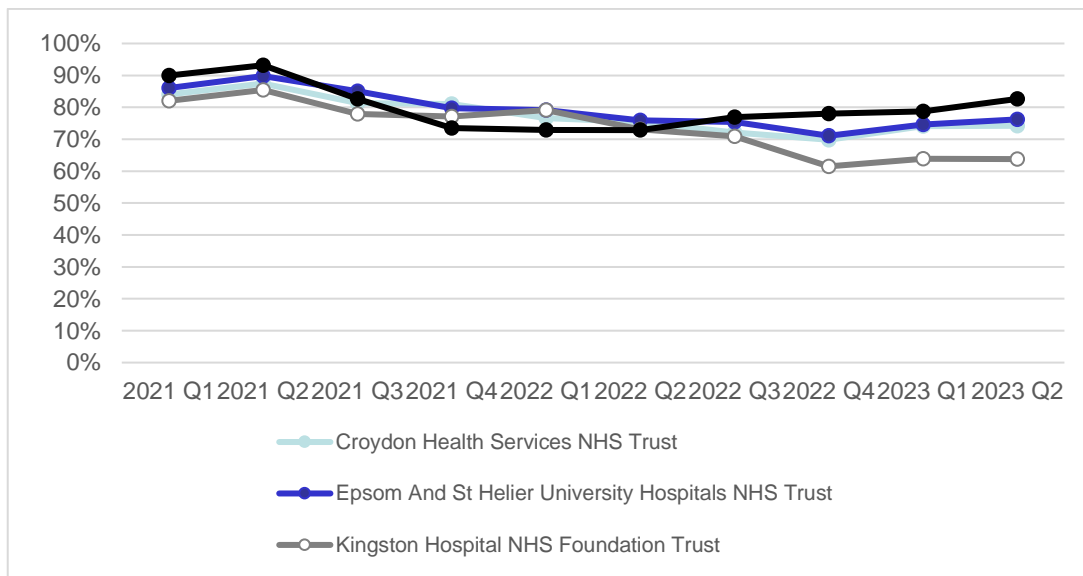
Figure 12 - Average LOS by Provider¹³



Overall, quality indicators for the hospitals expected to see increase in demand appear to be below national standards (on most indicators) and, in some cases, performance is declining. In the absence of investment in additional capacity, increases in demand on one or more of these hospitals, because of proposed changes could further exacerbate this trend.

For example, the number of A&E attendances seen, treated, admitted, or discharged within four hours, although appearing to be improving, remain below the 95% target for 4h performance.

Figure 13 - Percent of attendances under 4 hours by provider.



14

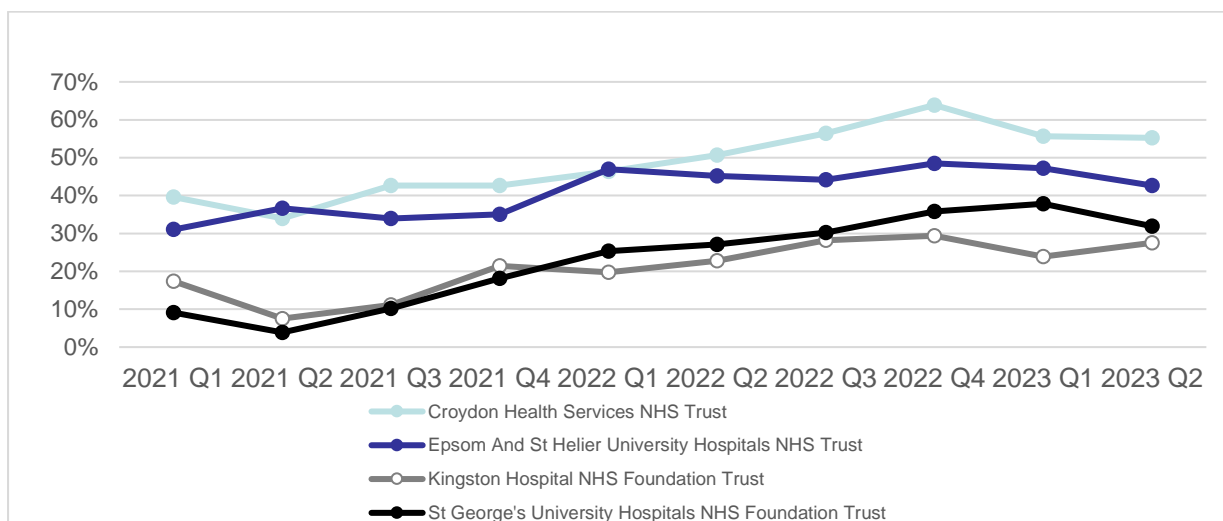
Further, waiting times from decision to admit to admission appear to be increasing for most providers, indicating decreasing capacity to deliver on national targets.

Waiting times before admission have risen across all four Trusts in the last three years. 30% to 55% of people must wait >4 hours from decision to admit to being admitted.

¹³ <https://digital.nhs.uk/data-and-information/publications/statistical/hospital-admitted-patient-care-activity/>

¹⁴ Source: Data provided by Merton council – analysed by report team.

Figure 14 - Percent of people spending more than 4 hours from decision to admit to being admitted, by provider.



“If the additional activity at neighbouring providers is not sufficiently provided for, there is the potential for patient outcomes and experience to be negatively impacted. This is applicable to both clinical services and clinical support services such as diagnostics.”

(IIA 2019)

Between 30 – 50% of A&E attendances (depending on time of day) and 20% of non-elective admissions come in via ambulance services. This represents a significant percentage of all attendances and admissions to ED.

Increases in driving travel time due to proposed changes (average of 2-6 minutes) would have an impact on ambulance travel time as well, the extent of which is unknown with available data. However, analysis of current ambulance response and handover times suggest ambulance performance and handover times could be a bigger barrier to accessing emergency care in a timely manner (see Figure 15 & Figure 16 below) than increases in driving time to the nearest ED. In addition, between 20 -35% of the time, ambulances wait >30 minutes from arrival to ED to patient handover.

Figure 15 - Average C1 response time for London Ambulance Service

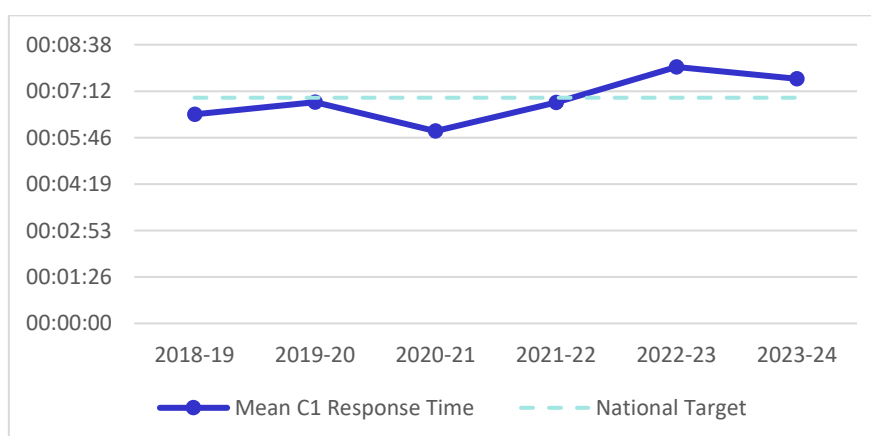
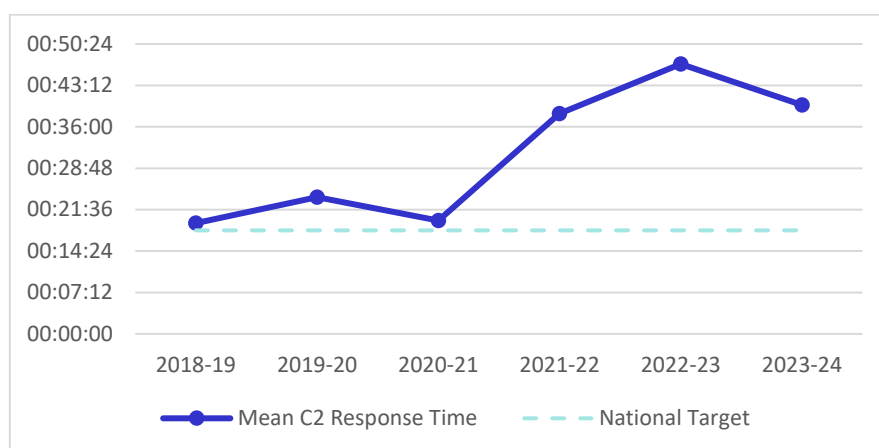


Figure 16 - Average C2 response time for London Ambulance Service



Bed occupancy rates and waiting times at neighbouring providers are below national targets.

In addition to

Lastly, following the March CQC inspection, St. George's maternity services have been downgraded to "inadequate" due to inadequate safety measures, including failure to address stillbirths and severe bleeding as "serious incidents," along with concerns about staffing, triage, and leadership.¹⁵

H2. 2- Areas for further investigation

- ❖ The Integrated Impact Assessment references the need for neighbouring providers to invest to meet potential increases in demand resulting from the proposed changes. Given the current performance trends for neighbouring providers, a re-evaluation of potential demand increases, as well as providers ability to cope with and carry-out investment plans is recommended.
- ❖ Understanding the impact of proposed changes on ambulance services performance would provide more details into the impact on quality of care and timely access to emergency services for Merton residents. A 2022 paper, published by *The Health Foundation* found that increases in handover delays is largely being driven by the lack of hospital bed capacity and delays in discharging patients.¹⁶ Between 20 -35% of the time, ambulances wait more than 30 minutes from arrival to ED to patient handover, due to bed and/or staff capacity at destination hospital. Given the current bed occupancy rates and waiting times at neighbouring providers, additional analysis, looking into the potential impact of proposed changes on ambulance performance is recommended.

¹⁵ <https://www.hsj.co.uk/st-georges-university-hospitals-nhs-foundation-trust/staff-let-down-by-leaders-as-chaotic-service-gets-double-downgrade/7035375.article>

¹⁶ Ambulance Handover Delays: A Major Contributor to the Decline in Ambulance Performance in England" by The Health Foundation, published in the British Medical Journal in 2022

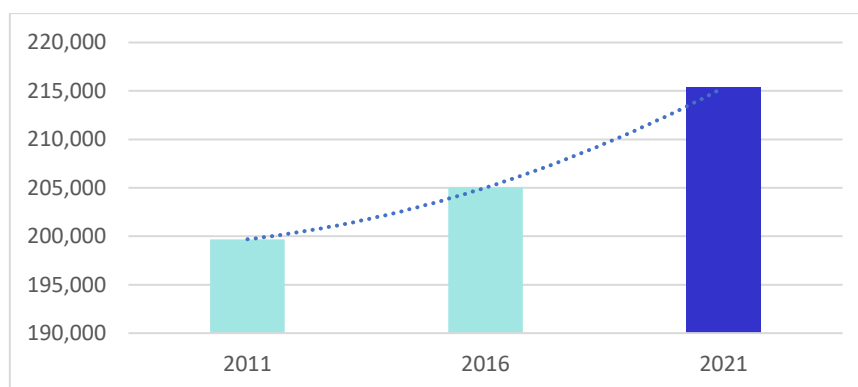
H3 – Merton’s Changing Population

This section of the report builds on and complements the King's Fund report and Merton's story, by understanding how Merton's population has changed since 2019 – latest available datasets at the time of developing the draft business case ranged from 2011 to 2019. For due diligence purposes, the analysis focuses on key trends and demographic factors initially identified as part of the Initial Inequalities (JSNA) report. It aims to surface any significant variation in demographic indicators for Merton and were appropriate an accompanying link to potential demand impacts.

This section highlights current indicators and trends for population groups that are considered key drivers of health and social care demand, a list containing updated values for due diligence purposes (additional demographic factors included in the Initial Inequalities report) can be found in the appendix section.

According to the most recent 2021 Census, Merton has a population of 215,200. This represents a 7.8%, from around 199,700 in 2011 to 215,200 in 2021. This is higher than the overall increase for England (6.6%). Nearby areas like Belmont and Croydon have seen their populations increase by around 10.2% and 7.5%, respectively, while others such as Kingston upon Thames saw an increase of 5.0% and Lambeth saw smaller growth (4.8%).

Figure 17 - Population Growth - Merton

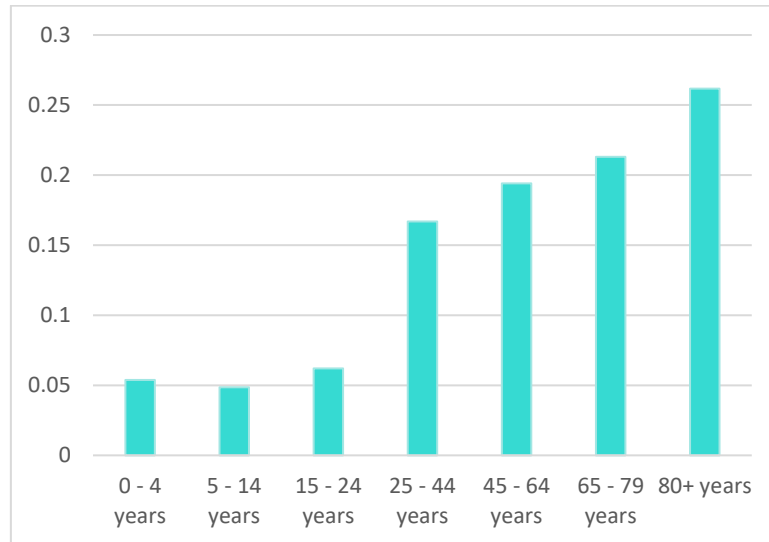


From the Business Case – “Merton’s population has been projected to increase by around 6.45% between 2014 and 2020.”

Merton’s population growth is slightly lower than initially projected. Actual growth from a similar period 2014 (204,598) to 2021 (215,200) was 5.8%.

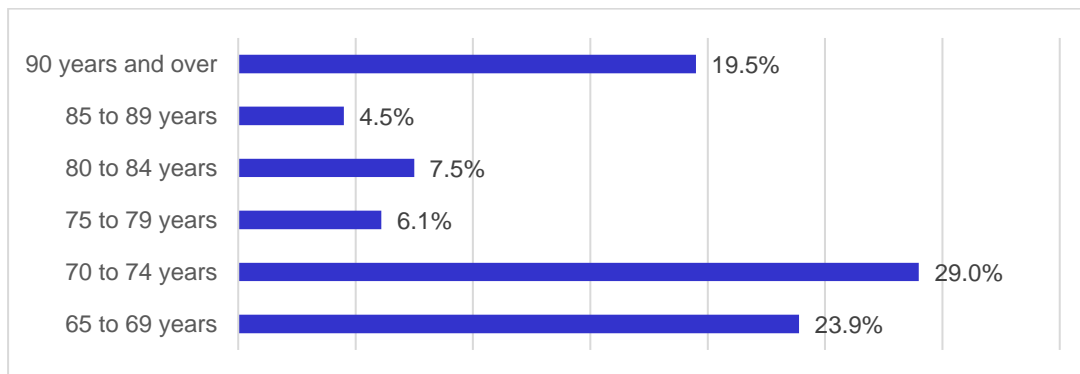
Merton’s population is ageing (with population over 65 growing at a faster rate than the rest of the population). This is consistent with national trends. Across England, more than one in six people (18.4%) were aged 65 years and over on Census Day in 2021. This is a higher percentage than ever before. This is likely to have demand implications as the population over 65 is the largest driver of health and social care demand (20-25% of A&E attendances, and 42-53% of A&E admissions, from 12% of the population) – see Figure 18 below.

Figure 18 - Percentage of A&E admissions by age-group (four study providers)



The business case stated that: “significant growth is projected for population over 50”, with the following projection “[in the next 10 years] the 65-84 age group is projected to increase by around 22% and the 85 years and older group is projected to increase by 16%”. Like for like comparison is not possible to corroborate that projection, but latest census (2021) data indicates that growth is likely to be close to what was projected (see Figure 19).

Figure 19 - Over 65 Population Growth - Merton (from 2011 to 2021)



“[Number of beds the Trust provides] should continue to be reviewed and refined as further population growth forecasts... are developed...” (Business Case)

“Older people tend to have a higher need for/use of emergency acute services” (Business Case)

Female population growth of 6% (compared to JSNA report figures) is higher than male population of 3,9% (and overall Merton population, 5.8%) growth. Birth rates are declining compared to when the business case was developed– from 1.77 in 2019 to 1.49 in 2021 – no fertility rate projections were provided. Growth in female population could have implications for increased demand for Maternity and Paediatric services. However, this could be offset by declining fertility rates and a slower growth rate of population under 16 (2.9%) compared to the rest of the population (5.8%). Notably this is below, the business case “projected higher than average growth for population under

16”. Further analysis into current usage and capacity of Maternity and Paediatric services would provide better insights into potential implications.

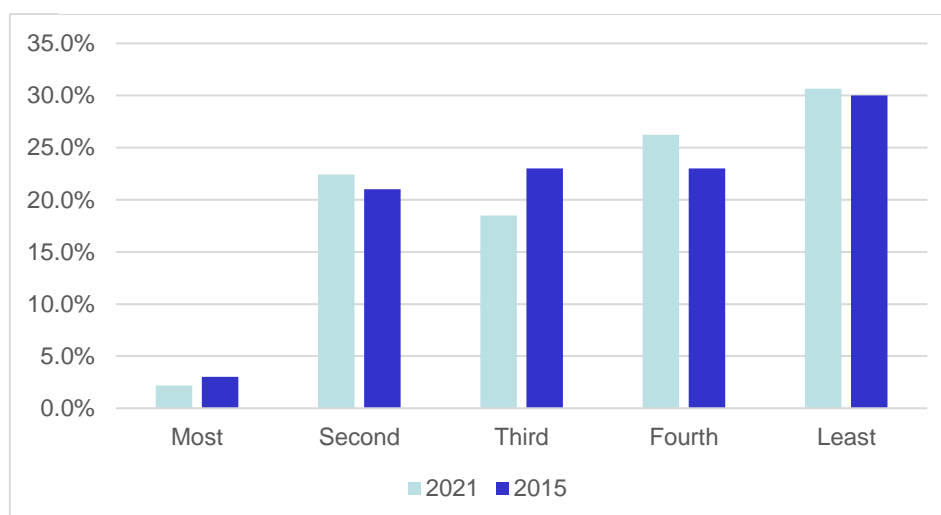
Fertility Rates - Merton Population

2018	2019	2020	2021
1.80	1.77	1.71	1.49

Source: ONS

Overall deprivation levels appear to have decreased slightly across Merton compared to when the original business case was developed (average IMD deprivation score decreased from 14.76 to 14.34). However, significant health and social inequalities remain between different wards (between the East and West of the borough).

Figure 20 - Merton Population by Deprivation Quintiles



An increase in prevalence of mental health disorders has been observed since the development of the original business case. Specific numbers for mental health prevalence in Merton are not included in the IIA – 2018. However, the analysis indicates that there is an increase in mental health prevalence (nationally and for Merton residents) after the COVID-19 pandemic (see Figure 21 below). This is relevant, as it is likely to increase demand for health and social care services. For example, a study found that patients with a mental health disorder were more likely than patients without a mental health disorder to have unplanned admissions (10.8% compared to 4.5%)¹⁷. Further, the Office for National Statistics (ONS) estimated that one in five adults experienced some form of depression during the pandemic, which is double the pre-pandemic rate.¹⁸

¹⁷ Payne R. et al., (2013): 'The effect of physical multi-morbidity, mental health conditions and socioeconomic deprivation on unplanned admission to hospital: a retrospective cohort study'. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3602270/>

¹⁸ <https://blog.ons.gov.uk/2021/05/05/are-we-facing-a-mental-health-pandemic/>

Figure 21- Mental Health Referrals - SW London ICB¹⁹



The analysis finds that broader population characteristics do not deviate vastly from when the business case was developed. However, some changes to population groups that are likely to drive demand for health services (population over 65, female population, mental health prevalence, fertility rates, and population under 16) were observed. In some case (e.g., population over 65 growth) there is alignment with business case projections. In the case of population under 16, the level of growth is below that projected in the business case. With the available data, it is not possible to determine the specific impact this could have on demand or healthcare experience for Merton residents. Further analysis, building on these findings is recommended.

H3 - Areas for further investigation

Changes in population demographics are important to note – specifically when it comes to updating capacity models and demand-shift models.

- ❖ Growth in over 65 population could have implication for increased demand/cost of ED services for neighbouring providers – an updated demand model is recommended to ensure health needs would be met under current and planned investments.
- ❖ Growth in female population could have implications for increased demand for Maternity and Paediatric services. However, this could be offset by declining fertility rates and a slower growth rate of population under 16, compared to the rest of the population. Further analysis into current usage and capacity of Maternity and Paediatric services would provide better insights into potential implications.

¹⁹ <https://digital.nhs.uk/data-and-information/data-tools-and-services/data-services/mental-health-data-hub/statistical-publications>

Appendix

Appendix 1A- Average (public transport) travel times at different times of day

Ward	Noon		Rush Hour		Night		Current Range		Post Range	
	Current Avg.	Post Avg.	Current Avg.	Post Avg.	Current Avg.	Post Avg.	Current Min	Current Max	Post Min	Post Max
Abbey	19.3	19.3	20.3	20.3	16.4	16.4	16.4	20.3	16.4	20.3
Cannon Hill	26.4	28.0	29.5	29.5	24.5	28.2	24.5	29.5	28.0	29.5
Colliers Wood	14.5	14.5	14.1	14.1	12.5	12.5	12.5	14.5	12.5	14.5
Cricket Green	24.2	30.1	25.5	30.3	18.6	24.3	18.6	25.5	24.3	30.3
Figge's Marsh	28.9	29.3	29.5	29.6	22.2	22.2	22.2	29.5	22.2	29.6
Graveney	21.9	21.9	22.0	22.0	17.2	17.2	17.2	22.0	17.2	22.0
Hillside	21.6	21.6	22.3	22.3	18.8	18.8	18.8	22.3	18.8	22.3
Lavender Fields	25.4	25.4	26.4	26.5	22.0	22.4	22.0	26.4	22.4	26.5
Longthornton	26.4	26.7	28.3	28.3	22.7	22.7	22.7	28.3	22.7	28.3
Lower Morden	29.4	32.7	33.2	35.2	25.0	26.6	25.0	33.2	26.6	35.2
Merton Park	23.0	25.4	25.0	25.4	19.1	24.1	19.1	25.0	24.1	25.4
Pollards Hill	28.0	28.0	30.5	30.5	26.7	26.7	26.7	30.5	26.7	30.5
Ravensbury	14.3	32.1	15.6	31.9	12.2	24.8	12.2	15.6	24.8	32.1

Raynes Park	21.6	21.6	22.6	22.6	19.3	19.3	19.3	22.6	19.3	22.6
St Helier	14.6	26.9	17.1	27.7	11.9	25.7	11.9	17.1	25.7	27.7
Village	28.9	28.9	29.6	29.6	23.7	23.7	23.7	29.6	23.7	29.6
Wandle	15.3	15.3	15.6	15.6	14.3	14.3	14.3	15.6	14.3	15.6
West Barnes	31.3	31.3	34.6	34.6	28.7	29.1	28.7	34.6	29.1	34.6
Wimbledon Park	24.5	24.5	24.5	24.5	19.2	19.2	19.2	24.5	19.2	24.5
Wimbledon Town & Dundonald	25.5	25.7	26.6	26.6	21.7	21.7	21.7	26.6	21.7	26.6

Appendix 1B- Longest (public transport) travel times at different times of day

Ward	Noon		Rush Hour		Night	
	Current Max	Post Max	Current Max	Post Max	Current Max	Post Max
Abbey	21.8	21.8	22.8	22.8	17.8	17.8
Cannon Hill	29.3	31.5	33.2	33.2	28.4	29.9
Colliers Wood	20.5	20.5	20.5	20.5	16.2	16.2
Cricket Green	29.2	38.2	30.9	40.0	23.1	31.3
Figge's Marsh	34.4	34.4	36.4	36.4	29.7	29.7
Graveney	27.6	27.6	26.6	26.6	21.6	21.6
Hillside	24.8	24.8	26.8	26.8	23.3	23.3
Lavender Fields	30.4	30.4	36.6	36.9	27.4	28.6
Longthornton	32.2	34.3	34.6	34.6	27.7	27.7
Lower Morden	36.2	36.2	37.4	37.4	29.9	29.9
Merton Park	31.5	32.2	28.9	29.3	23.6	28.3
Pollards Hill	35.2	35.2	38.2	38.2	31.7	31.7
Ravensbury	18.5	36.7	21.1	37.8	16.9	27.7
Raynes Park	27.1	27.1	28.1	28.1	23.6	23.6
St Helier	20.3	33.4	24.8	35.3	18.3	32.4
Village	35.7	35.7	36.7	36.7	29.9	29.9
Wandle	16.7	16.7	16.7	16.7	16.7	16.7
West Barnes	34.1	34.1	41.9	41.9	33.9	33.9
Wimbledon Park	34.5	34.5	33.5	33.5	25.5	25.5
Wimbledon Town & Dundonald	30.9	30.9	33.1	33.1	27.2	27.2

Appendix 1C- Average (driving) travel times at different times of day

Ward	Noon		Rush Hour		Night	
	Current Avg	Post Avg	Current Avg	Post Avg	Current Avg	Post Avg
Abbey	15.1	15.5	16.2	16.2	13.7	13.9
Cannon Hill	17.9	26.1	20.3	27.5	16.4	23.6
Colliers Wood	10.0	10.0	10.1	10.1	9.5	9.5
Cricket Green	14.8	20.1	15.3	21.1	13.8	17.6
Figge's Marsh	17.0	18.4	17.9	18.8	15.7	16.8
Graveney	14.1	14.1	14.5	14.5	13.4	13.4
Hillside	17.8	17.8	18.5	18.5	16.2	16.2
Lavender Fields	16.8	16.8	17.1	17.1	15.0	15.0
Longthornton	17.6	18.0	18.2	18.5	16.3	16.6
Lower Morden	14.2	23.9	15.2	26.1	13.2	22.1
Merton Park	15.8	22.0	18.0	23.7	14.6	19.5
Pollards Hill	14.9	14.9	14.9	14.9	14.1	14.1
Ravensbury	8.8	24.8	9.1	27.0	8.2	22.2
Raynes Park	18.5	19.0	19.5	19.8	17.0	17.4
St Helier	9.1	24.6	9.8	26.6	8.4	22.4
Village	17.7	17.7	18.6	18.6	16.5	16.5
Wandle	14.9	14.9	15.4	15.4	13.5	13.5
West Barnes	18.9	20.2	20.6	21.2	17.7	18.8
Wimbledon Park	13.6	13.6	14.2	14.2	12.4	12.4
Wimbledon Town & Dundonald	16.5	17.0	17.6	17.7	15.0	15.3

Appendix 1D- Longest (driving) travel times at different times of day

Ward	Noon		Rush Hour		Night	
	Current Max	Post Max	Current Max	Post Max	Current Max	Post Max
Abbey	22.2	22.2	23.7	23.7	19.3	19.3
Cannon Hill	27.8	36.9	33.2	39.6	24.3	31.5
Colliers Wood	17.3	17.3	17.6	17.6	16.5	16.5
Cricket Green	24.7	32.5	25.3	36.2	22.0	26.0
Figge's Marsh	23.1	27.9	26.4	28.8	21.0	24.3
Graveney	22.9	22.9	24.2	24.2	20.9	20.9
Hillside	27.6	27.6	29.4	29.4	24.2	24.2
Lavender Fields	24.6	24.6	25.6	25.6	20.9	20.9
Longthornton	25.9	27.7	28.2	27.9	23.4	25.1
Lower Morden	22.4	35.4	24.0	40.7	20.1	31.5
Merton Park	25.1	32.0	30.2	35.5	22.0	26.4
Pollards Hill	21.3	21.3	21.1	21.1	19.6	19.6
Ravensbury	15.5	35.2	17.2	39.7	13.8	30.1
Raynes Park	29.2	34.9	34.3	37.8	25.6	28.5
St Helier	15.4	36.8	16.8	40.5	13.9	31.4
Village	26.6	26.6	28.4	28.4	23.9	23.9
Wandle	21.2	21.2	22.1	22.1	18.1	18.1
West Barnes	27.9	33.2	32.5	34.7	24.7	28.7
Wimbledon Park	21.1	21.1	22.8	22.8	18.3	18.3
Wimbledon Town & Dundonald	28.1	30.9	33.2	33.1	24.8	24.9

Appendix 1E – Travel times Raw Data – Including Closest Hospitals by LSOA, Ward Pre and Post Proposed Changes



Merton Travel
Times Raw Data

*** Data set embedded into document due to its large size.

Appendix 2A – A&E attendances by provider

Year-Month	St George's	Croydon	Epsom & St Helier	Kingston
2019	141340	125912	122040	117964
January	11306	10086	9755	9427
February	11070	9856	9525	9197
March	11754	10528	10197	9855
April	12062	10840	10509	10167
May	12372	11150	10819	10477
June	12860	11548	11217	10875
July	12558	11246	10915	10573
August	12256	10944	10613	10271
September	11774	10452	10121	9779
October	11492	10170	9839	9497
November	11109	9787	9456	9114
December	10727	9305	9074	8732
2020	143425	126726	122742	118837
January	11579	10338	10006	9764
February	11241	10017	9685	9442
March	11934	10606	10274	9932
April	12242	10895	10563	10221
May	12553	11184	10852	10510
June	13060	11673	11341	10999
July	12758	11352	11020	10678
August	12456	11041	10709	10367
September	11974	10529	10197	9855
October	11592	10118	9786	9444
November	11209	9697	9365	9023
December	10827	9276	8944	8602
2021	137432	119157	115173	111170
January	11135	9594	9262	8920
February	10807	9273	8941	8600
March	11494	9973	9641	9299

April	11802	10281	9949	9607
May	12110	10589	10257	9915
June	12518	11007	10675	10333
July	12216	10695	10363	10021
August	11914	10393	10061	9719
September	11432	9911	9579	9237
October	11050	9529	9197	8855
November	10668	9147	8815	8473
December	10286	8765	8433	8191
2022	90125	77949	75233	72577
January	10695	9173	8841	8509
February	10367	8845	8513	8181
March	10955	9433	9091	8759
April	11263	9741	9399	9067
May	11571	10049	9707	9375
June	12060	10538	10196	9864
July	11758	10236	9894	9562
August	11456	9934	9592	9260

Appendix 3A- Summary of review of Initial Inequalities (JSNA) report demographic indicators:

	Previous Metric	Most Recent Metric	Comments
Total Population	205,020 (2016)	215,324 (2021)	<ul style="list-style-type: none"> • 5.8% Growth • Business case projection was higher (6.45% from 2014-2020)
Age – specifically children (those aged 16 and under), young people (those aged 16-24) and older people (those aged 65 and over)	<ul style="list-style-type: none"> • Under 16: 42,658 (2016) • 16-24: 18,153 (2016) • 65 +: 25,362 (2016) 	<ul style="list-style-type: none"> • Under 16: 43,571 (2021) • 16-24: 19,697 (2021) • 65 +: 27,100 (2021) 	<ul style="list-style-type: none"> • Under 16: 2.1% increase, proportion of population remains similar. Business Case: “<i>Merton is projected to see a notable growth in those under the age of 16 years</i>” • 16-24: 8.5% increase, proportion of population remains similar. • 65 +: 6.85% growth, proportion of population (12.6% from 12%) compared to 5.8% growth for Merton. Business case: “<i>Merton is projected to see a notable growth in those over 50 years</i>”
Limiting Long-Term Illness (Used as metric for disabilities)	25,232 (2011)	25,902 (2021)	Proportion of population with LLTI decrease from 13 to 12%
Gender reassignment	1% of population (estimate)	0.7% of pop (2021 census)	• Previous census did not include question on gender identity – metric is new
Pregnancy and maternity	45,013 (2016)	47,685 (2021)	• 5.9% growth, proportion of total population constant (~22%)
Race and ethnicity	103,035 (2011) – BAME **	90,961 (2021)	** Comparison of statistics used in 2016 are not like for like. This is due to an Inequalities Commission report (2021) which found that aggregate terms like ‘BAME’ were no longer helpful and should be dropped
Sex	<ul style="list-style-type: none"> • Male: 100,780 (2016) • Female: 104,249 (2021) 	<ul style="list-style-type: none"> • Male: 104,700 (2016) • Female: 110,500 (2021) 	<ul style="list-style-type: none"> • 6% growth in female residents • 3.9% growth in male residents • Proportion of total population female increased from 50.8% to 51.3%
Carers	17,000 (estimate)	• 15,900 carers in Merton (2021 census)	• 7.4% of population reported providing some level of unpaid care
Deprivation	14.76 avg. deprivation score (2015)	14.34 avg. deprivation score (2021)	Average IMD deprivation score decreased slightly from 14.76 to 14.34 – suggesting a slight reduction in deprivation levels across Merton

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Committee: Cabinet

Date: 16 November 2023

Wards: All

Subject: London Borough of Culture Bid Progress Report

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

Lead member: Councillor Eleanor Stringer – Deputy Leader and Cabinet Member for Civic Pride

Contact officer: Anthony Hopkins – Head of Library, Heritage and Adult Education Service

Recommendations:

- A. That Cabinet note the progress in developing the bid for Merton to become the London Borough of Culture in 2027.
 - B. That Cabinet review the emerging themes and agree the direction of travel for the bid to be submitted to the Greater London Authority (GLA) by 30 November 2023 deadline.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The London Borough of Merton is bidding to become the London Borough of Culture (LBOC) in 2027. Feeding into the three key Council objectives of Civic Pride, Sustainable Futures and Borough of Sport the borough intends to submit an inclusive and inspirational bid celebrating its cultural infrastructure whilst creating new and innovative programmes for residents to engage in.
- 1.2. A key strategic objective for the council is to be the Borough of Sport by 2026 and a strong theme of sport will run through the LBOC bid. By 2027 Merton will be known as the Borough of Sport and Culture, maximising on existing sporting infrastructure and heritage that is leading to the Borough of Sport. We will build on that as a model - using existing cultural infrastructure and heritage to become LBOC. The two will be inextricably linked in 2027, similar to the Cultural Olympiad that accompanied the London 2012 Olympics.
- 1.3. The programme will deliver high quality arts and cultural events and activities in the heart of our communities and will use innovative techniques to engage and develop new audiences. It will tell the history of the borough's rich cultural heritage to develop greater understanding of our collective past and create a better understanding of present and future cultural opportunities. The legacy will be an established and coordinated programme of events and activities and an increased engagement with arts and culture amongst all parts of the borough. Key to the success of the bid will be in further strengthening our partnerships across the cultural sector to deliver this new vision for culture in the borough.

2 DETAILS

- 2.1. Established in 2017 the LBOC was initiated by the Mayor of London as a competitive bidding process to increase inclusivity and engagement in the arts amongst London boroughs. The process is similarly aligned to the national City of Culture programme. There have been 4 LBOC's so far with the London Borough of Croydon currently midway through its delivery year. Further details on the timetable for the bid and the funding available are included in sections 6 and 7.
- 2.2. Below the main award, which is worth in the region of £1.85 million, Cultural Impact Awards are also awarded to boroughs to deliver some of the programmes in their main bid if they are not the chosen borough. Merton was the recipient of a Cultural Impact Award of £40,000 for its 'Film Merton' project in 2019.
- 2.3. Merton launched its bid to become LBOC in August 2023 and has commissioned consultancy firm Always Possible to provide the resource for the bid writing and stakeholder and community engagement. Through September and October a number of events have taken place to gather views on what should be in the bid and what we recognise as our culture and heritage. Further details on the consultation are included in section 5.
- 2.4. A working group and steering group have been formed and have provided expert input into the bid development. Representatives from across the cultural sector have fed into these groups.
- 2.5. The GLA has provided an arts consultant to advise on bid development and will provide feedback on the first draft after 30 October 2023.
- 2.6. The draft bid outline summarises the main strategic aims and how the bid addresses the LBOC judging criteria of Making an Impact and Celebrating Creativity in which the application will make its main creative case.

3 DRAFT BID OUTLINE

- 3.1. **Working Title: MERTON UNITED.**
- 3.2. The bid will explore the core theme of "connections" and "connectedness". There are 7 strategic strands under which to organise activity and set objectives for the programme:
- 3.3. **CONNECTED TO CULTURE.** Aim: A greater proportion of residents taking part in culture. Outcome: A programme that delivers art and culture's social benefits for all.
- 3.4. **CONNECTED BY CULTURE.** Aim: Greater social cohesion. Outcome: A programme that explores Merton's common purpose. It will celebrate the full range of diversity in the borough, in particular highlighting the significant cultural changes of the last 50 years.
- 3.5. **CONNECTED THROUGH CULTURE.** Aim: To be a council that is brave in using culture to nurture civic pride. Outcome: Testing new collaborative approaches to working with residents.

- 3.6. **CONNECTED UP CULTURE.** Aim: A growing creative economy that makes Merton a destination for culture. Outcome: More strategic and planned opportunities for local creative professionals to have their say about the future of culture within the borough. Mapping and promoting cultural resources and developing new spaces for creating and presenting arts.
- 3.7. **CONNECTED AROUND CULTURE.** Aim: To have a more visible and vibrant cultural sector in the east of Merton, with improved collaborative links between organisations in the east and west of the borough. Outcome: New programmes celebrating urban culture throughout Merton. Arts and cultural assets in the west delivering more work in the east.
- 3.8. **CONNECTED TOWARDS CULTURE.** Aim: To empower young people to have a voice in the future of the borough. Outcome: Culture-led programmes that enable children and young people to design a future they want for the borough and the council to commit to action from this.
- 3.9. **CONNECTED "OUTSIDE" CULTURE.** Aim: Sports and culture combine in a rich, well linked up local offer. Merton is known as the Borough of Sport & Culture in 2027. Outcome: A programme that uses the outdoor and active spaces throughout Merton for significant cultural activity, encouraging culturally rich, active lives for residents.
- 3.10. **MAKING AN IMPACT. What is special about Merton that will be celebrated? What are the social issues facing the borough?**
- 3.11. The borough has strong identities in its different neighbourhoods and town centres. Merton has unique character in the way its neighbourhoods connect and come together. There is a lot that residents are proud of in the civic sphere. The voluntary sector is strong and buoyant. The libraries, schools and children's services are outstanding. There is a strong sense of pride in the existing cultural and heritage spaces. As the borough with the second most green outdoor space in London, parks, and commons matter, especially when used to bring people together as a community. Merton is connected by a wide range of transport options and whilst they don't always fully cater for the needs of residents, they are an important part of the borough's heritage.
- 3.12. While Merton has a long history, there is an appetite to use its recent history to tell bigger stories: focusing on the vibrant social changes of the last 50 years as a throughline. The aim will be to make the bid dynamic and forward-looking. It will be about seizing opportunities, recognising potential, and asking "What's next?" for the borough.
- 3.13. There are a range of international communities with important stories to tell that have contributed to what Merton is today and will be celebrated. These include (but are not limited to): The Ghanaian Community in Pollards Hill; World War One refugees from Belgium and France; British Bangladeshi Women; The Korean community; The Nepalese Gurkha community in Morden; Nigerian Osun-Osogbo Festival in Morden; The Polish and Tamil communities in the east of the borough; Europe's largest mosque in Morden; and the comparatively large number of Ukrainian refugees hosted in the borough.

- 3.14. Health, economic and social inequalities play out across the borough between the more affluent west and more socially deprived east. This is particularly apparent in the reduced cultural offering and poorer transport links in the east of the borough. LBOC work will explore this and deliver new cultural activity in areas of high priority.
- 3.15. Providing a range of new and enhanced cultural activities for the east of the borough is high on the agenda for all stakeholders. There is a desire for a successful LBOC to raise the visibility of the active, energetic creative organisations doing great work across the borough, and create more opportunities to connect with each other and reach new audiences.
- 3.16. The bid has identified links with a range of borough and city-wide strategies to complement and connect with.
- 3.17. **CELEBRATING CREATIVITY: What will the outline programme look like?**
- 3.18. The GLA advises that a bid for 2027 would not have a complete programme, but should put forward a strong framework through which it will be developed with examples of the type of activity that might take place. Programme ideas that have been identified in conjunction with partners so far include:
- 3.19. Wimbledon Bookfest – extending this festival’s scope and reach to use two outdoor sites and generate new opportunities to take part in creative writing and live literature in the east of the borough.
- 3.20. Merton United Trail – A mixed media outdoor trail including a range of performance and activities that celebrate local geography. It will also install Merton’s cultural icon “stars” as part of a legacy heritage trail.
- 3.21. Tuned In - Five week-long residencies in each town centre. Music and wellbeing sessions with local residents that culminate in a public performance at the end of each week and a legacy recording project in collaboration with Cherry Red Records.
- 3.22. Headline music and theatre festival – Large scale events taking place at iconic venues in the borough (e.g. Wimbledon Tennis Championships, AFC Wimbledon Stadium, New Wimbledon Theatre, Canons House and Grounds).
- 3.23. A touring virtual reality and creative programme designed by Wimbledon College of Art and delivered in community venues. In conjunction with a skills, employability and mentoring programme.
- 3.24. Connected Towards Culture: a project for young people to design a future use for Merton’s public realm.

4 ALTERNATIVE OPTIONS

4.1. Bid for year 2025 LBOC

- 4.2. Merton is in the process of an ambitious plan to become the London Borough of Sport by 2026. This timeline works well and supports the ground work that needs to be put in place for a successful bid in 2027. It also gives the borough more time to develop its partnership base.

4.3. **Do not bid**

4.4. This would mean that the borough will not have an opportunity to draw in significant funds to develop cultural opportunities in the borough and no new programmes or strengthening of existing projects will take place.

5 CONSULTATION UNDERTAKEN OR PROPOSED

5.1. To consult and engage with a wide variety of stakeholders the London Borough of Merton worked with Always Possible to conduct in-person events, online events and surveys which would enable community feedback and engagement with the bid.

5.2. In-person resident engagement was through a community engagement exercise held at the Big Sports Day on 24 September 2023. 185 residents took part. Residents were also invited to complete an online survey.

5.3. Sector and stakeholder consultation was through 2 in-person events, 2 online events, 12 1:1 interviews and a combined survey/expression of interest (EOI). 33 stakeholders have so far contributed to the consultation and have 150 organisations have been contacted.

5.4. The GLA encourages drawing on existing and prior relevant consultation. In addition to the work above, Mitcham Matters, a council consultation with residents from August 2023, was reviewed and analysed.

5.5. The consultation has provided an evidence basis from which to draw out the key themes that are going into the bid, the stories to tell about the borough, and the type of events and activity that the borough is expressing a need for.

5.6. Four key themes and priorities emerged from the data. These themes have been instrumental in developing the structure of the bid so far.

1. The theme of “connectedness” was prominent in feedback from both residents and arts, cultural, and community leaders. The ideas of physical connections, interpersonal connections, and professional connections have provided the basis for the bid structure.
2. “Outdoor spaces” were identified as an area of civic pride and a unique selling point of the borough. Making the most of these spaces, highlighting them through cultural and heritage events was a very popular idea.
3. “Sports, culture and heritage” often came up in conjunction as interlinking themes. The sporting history of the borough, although problematic in respects to fair access, is seen to be intrinsically linked to its sense of place. For example, when a wide definition of “sport” was used: with walking and skateboarding sitting alongside tennis and football.
4. Diversity and multiculturalism. When asked to summarise what culture looked like in Merton in 2023, the common definitions drew on the diversity of the population living in the borough and emphasis on the significant cultural changes of the last 50 years.

A range of community stories have been highlighted to tell as part of the borough of culture.

- 5.7. The consultation was also used to measure which types of events and activities residents and stakeholders thought should contribute to a borough of culture programme, helping to identify a focus for the outline programme with a sense of need behind it.

6 TIMETABLE

Activity	Completion Date
Completion of public consultation	27 October 2023
Stakeholder Engagement Event	8 November 2023
Submission of bid to the GLA	30 November 2023
Assessment of bid	December 2023 – January 2024
Interviews and final decision making	February 2024
Winners announced	March 2024
Delivery of Title Award	April 2027 – March 2028

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 7.1. The main award grant if successful is £1.35 million from the Greater London authority and a further £500,000 from the National Heritage Lottery Fund. Additional grants can be applied for via Arts Council England and other LBOC partners.
- 7.2. Match funding of at least 30% is required in bids and officers are working on a range of options to develop this including sponsorship and other grant opportunities.

8 LEGAL AND STATUTORY IMPLICATIONS

- 8.1. None identified for the purpose of this report.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 9.1. A successful London Borough of Culture bid could have a lasting positive impact on our communities and help to improve the social, economic and health outcomes of residents. The bid being designed will be an inclusive one that focuses on addressing inequalities in the borough and developing new cultural opportunities for all residents.

10 CRIME AND DISORDER IMPLICATIONS

- 10.1. None identified for the purpose of this report.

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1. A separate risk register is being maintained for this project. No health and safety implications identified at this stage.

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

- None included.

13 BACKGROUND PAPERS

13.1. None included.

Department Approval	Name of Officer	Date of Comments
Legal	Fabiola Hickson	25/10/2023
Finance	Marsha Walker	25/10/2023
Executive Director	Dan Jones	25/10/2023
Cabinet Member	Councillor Eleanor Stringer	25/10/2023

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Committee: Cabinet

Date: 16 November 2023

Wards: All

Subject: Provision of Extra Care and Housing Related Support Services at Pantiles House and Trellis House

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: Phil Howell, Interim Assistant Director for Commissioning, Adult Social Care, Integrated Care & Public Health

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. To approve re-tendering Extra Care and Housing Related Support Services at Pantiles House and Trellis House for a period of 5 years at an estimated total cost of £5,748,780 without the option to extend.
- B. That the new service is commissioned under the light touch regime in a one stage procurement process. 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 that 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.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report sets out Adult Social Care (ASC) commissioning intentions to retender Extra Care and Housing Related Support Services at Pantiles House and Trellis House.
- 1.2. Section 1 of the Care Act 2014 places a general duty on the Council when exercising its functions, to promote an individual's well-being relating to their physical and mental health, emotional well-being and personal dignity. The

Care Act 2014 replaces the existing duties in respect of assessing and meeting an individual's eligible care needs.

1.3. Section 8 of the Care Act 2014 provides that those eligible needs may be met in a number of ways, including care and support at home or in the community, direct provision by the Council itself or arranging another provider to provide the service. In this case, London Borough of Merton elected to arrange with extra care providers to provide extra care services at Pantiles House and Trellis House to meet our customers' assessed eligible care needs.

1.4. **Background information**

1.4.1 Pantiles House is comprised of 33 Flats, located at Merton Park whereas Trellis is a 42 unit' property located at Colliers wood. Housing 21 and Mayfair (formerly known as Sevacare) are the current extra care service providers at Pantiles House and Trellis House respectively.

1.4.2 Pantiles House is owned by Housing 21, which means they are the Landlord as well as extra care and Housing Related Support provider. Trellis House is owned by Sanctuary Housing Group who is the landlord, with Mayfair Homecare providing the extra care and housing related support service.

1.4.3 The Council has got priority nomination rights to 23 out of 33 units at Pantiles House and 75% priority nomination rights at Trellis House. Customers at both schemes have to be aged 55 and above, assessed as requiring domiciliary care and housing related support. The care provided would enable them to lead as normal a life as possible and remain independent for as long as possible, improving and maintaining the quality of their lives.

1.4.4 Both schemes operate 24 hours per day, 52 weeks per annum including Bank Holidays and the Service Providers ensure that one waking night staff is available on-site at Pantiles House during the night period (2200 – 0700) and 2 waking night staff are available at Trellis House every night of the year during the night period (2200 – 0800) with an additional senior member of staff available on call at both schemes if required. The variation in night care requirements at both schemes is due to the level of complexity of the residents' needs.

1.4.5 The two schemes have been at least 85% full throughout the life of the current contract, which further re-emphasises the demand for this service. As of 1st September 2023, there were 26 customers occupying 26 out of 33 flats at Pantiles House and 40 customers occupying 40 out of 42 flats at Trellis House.

1.5. Key features of Extra Care and Housing Related Support at Pantiles House and Trellis House

1.5.1 Higher level of support:-Providers at both schemes provide a higher level of care and assistance for residents who may have specific needs or vulnerabilities but wish to maintain a level of independence. Support offered include offering personal care, preparing meals, assisting residents attend medical and any other appointments. Housing related support offered include negotiating with landlords, or addressing any issues that may lead to eviction.

- 1.5.2 Self-contained Accommodation: - Residents have their own private apartments or flats, which include a bedroom, living area, kitchen, and bathroom. This allows them to live independently to some extent. The support provided is tailored to the individuals' needs and may include assistance with tasks such as budgeting, managing bills, and maintaining a safe and clean-living environment.
- 1.5.3 On-Site Support: - Both schemes have support staff available on-site 24/7 to provide assistance with tasks like personal care, medication management, and household chores.
- 1.5.4 Social Activities: - Both schemes offer communal spaces and organized activities to encourage social interaction among residents, connecting individuals with relevant community resources to reduce isolation.
- 1.5.5 Safety and Security: - Both schemes have security features to ensure the safety of residents, such as emergency call systems and secure access. The landlords also take care of any necessary adaptations to meet any specific needs for those with disabilities.
- 1.5.6 Tailored Care: - Support is tailored to the individual's needs. Some residents may require minimal assistance, while others may need more intensive care.
- 1.5.7 Independent Living: - Both schemes enable individuals to maintain a higher degree of independence and quality of life than they might in traditional residential care settings. The aim is to strike a balance between independence and support, allowing individuals to age in place with dignity and comfort. Support workers act as advocates for residents, helping them navigate complex housing systems, access benefits, and resolve disputes with landlords.

2 DETAILS

2.1. Current contract arrangements at Pantiles House and Trellis House

- 2.1.1 Following an open tender process, two separate contracts were awarded to Housing 21 (Lot 1) and Mayfair Homecare (Lot 2) by the Cabinet on 18th February 2019. The contracts commenced on 1st May 2019 for an initial three-year period, and with the option to extend for a further 2 x 12 months, which have been utilised. The final extension is due to expire on 30th April 2024 with no further option to extend.
- 2.1.2 Under existing contracts, the prices were fixed for one year and annual rates increases were linked with the National Minimum Wage. Hourly rates were determined based on a rate calculator as illustrated below:-

Item	Hourly Rate 2023/24 (£)	Comments
Contact time	11.55	£10.63 + £0.92 = 11.55 i.e (10.42 - 9.50)+ last year's contact time rate £10.63)
Staffing on costs	2.81	24.3% of contact time to cover pensions, Training, sick pay and holiday pay, etc...

Business Running Cost	3.01	21% of contact time and staffing on costs – at the discretion of the Council.
Profit	0.52	3% of overall cost - at the discretion of the Council.
Total cost per std hour	17.89	

The Council only pays for actual extra care and housing related support hours delivered, but does not pay for voids. Rates paid throughout the term of the contract are as indicated below: -

- a. 2019/20 - £14.45 per hour
- b. 2020/21 - £15.26 per hour
- c. 2021/22 - £15.50 per hour
- d. 2022/23 - £16.68 per hour
- e. 2023/24 - £17.89 per hour

2.1.3 Expenditure throughout the term of the contracts is as highlighted below:-

Scheme	Delivered hours 2019/20 (hrs)	Cost 2019/20 (£)	Delivered hours 2020/21 (hrs)	Cost 2020/21 (£)	Delivered hours 2021/22 (hrs)	Cost 2021/22 (£)	Delivered hours 2022/23 (hrs)	Cost 2022/23 (£)	Projected hours to be delivered 2023/24 (hrs)	Projected Cost 2023/24 (£)
Pantiles House	18,870	272,675	17,370	265,063	14,746	228,558	13,883	231,568	13,163	235,478
Trellis House	36,014	520,403	32,543	496,611	29,843	462,578	31,343	522,801	37,250	666,408
Total Hours	54,884	793,078	49,913	761,674	44,589	691,136	45,226	754,369	50,413	901,886

Total contract value over 5 years is £3,902,143 and average annual cost is £780,429 pa.

2.2 Proposed new contract model

2.2.1 The Council has formally written to the 2 Housing Landlords notifying them of the intention to commission an Extra Care and Housing Related Provider to meet the needs of their tenants and seeking their agreement to allow any new care and support provider to access communal and staff accommodation at the schemes. Both Landlords have now responded and agreed to the Council's proposal.

2.2.2 A procurement exercise (under the light touch regime) will be undertaken to award a contract to one or two provider(s) for the provision of extra care and housing related services delivered at the two schemes (Pantiles House and Trellis House). The contract(s) will be for a period of 5 years without the option to extend.

2.2.3 Prices will be fixed for one year and annual rates increases will be linked with the London Living Wage. Both Night and Day Care hours will be paid at a standard rate that will incorporate administration and staffing on costs. All business running costs including schemes' management costs will be included within the standard rate. The Council shall only be liable to pay for planned hours of care agreed and actually delivered. Hourly rates will be determined basing on a rate calculator as illustrated below:-

Item	Hourly Rate 2024/25 (£)	Comments
Contact time	13.15	New LLW rate applicable in 2024/25 announced on 24/10/2023
Staffing on costs	3.20	24.3% of contact time to cover pensions, training, sick pay and holiday pay, etc...
Business Running Cost	3.43	21% of contact time and staffing on costs – at the discretion of the Council.
Profit	0.59	3% of overall cost - at the discretion of the Council
Total cost per std hour	20.37	

2.2.4 Bidders will be required to confirm that they are able to deliver the service at the set price and bids would entirely be evaluated on the basis of quality (95%) and social value (5%), with the added assurance of knowing that all bids will be affordable to the Council. There will be an emphasis on maximising social value through robust use of the Council's social value policy and toolkit. Providers will be required within contracts to detail how they will maintain Merton's Social Value objectives within their contracts. The performance of the providers on social value will form part of the contract monitoring, undertaken by the Contract Monitoring team.

The night care hours at each scheme will be considered as the core hours whereas the day care hours will be the assessed as individualised care and housing related support hours. One waking night staff will be available on-site at Pantiles House every night of the year during the night period for 9 hours and 2 waking night staff will be available at Trellis House every night of the year during the night period for 10 hours. Total annual night care hours at Pantiles House will be 3,285 pa, whereas at Trellis House they will be 7,300 pa. Projected annual expenditure is set out in appendix 1 (exempt)

2.2.6 Day Care hours will depend on individual needs as assessed and reflected in the resident's care plan. Day Care hours compliment Night Care hours and are spot purchased in accordance with the assessment of eligible needs to meet the identified outcomes within the individual's care and support plan.

- 2.2.7 Day Care hours will be paid in accordance with individual's allocated care and housing related support hours as per their care and support plan. Total amount paid for Day Care hours would vary as individual needs or the number of customers at each scheme change.
- 2.2.8 It is anticipated that TUPE may apply in relation to this tender and therefore the Council should be mindful that providers might factor in any associated risks this has into their bids.

3 ALTERNATIVE OPTIONS

OPTION	ADVANTAGES	DISADVANTAGES
1. Do not enter into a contract / withdraw service	None identified	<ul style="list-style-type: none"> As this is a statutory service, it is not a feasible option to terminate provision. A key objective of both the Council and Government is to encourage and assist all vulnerable adults who meet the Council's assessment criteria to live independently and stay healthy within their own homes. The absence of this service would accelerate the need for customers to be moved into settings of residential care, and as a result would compromise their quality of life and independence. It would not be value for money.
2. Roll-on existing contract without going out to the market	Not possible.	This option is not viable as the contracts will expire on 30 th April 2024 without the option to extend.
3. Make use of an approved framework agreement	<ul style="list-style-type: none"> Would save time and reduce procurement costs 	None suitable has been identified to date.
4. Undertake a bespoke competitive tender exercise under the light touch regime .	<ul style="list-style-type: none"> Widen competition and ensure that the Council gets best value for money for this service. Ensure that our prices for this service are within the local market range. All stakeholders are consulted, as part of the process. Opportunity to review current service provision and implement any necessary adjustments to continue improving the quality of service delivered. Opportunity to apply robust measures to effectively monitor 	<ul style="list-style-type: none"> Increased requirements on resources during initial procurement phase. May be a lengthier process to get a provider or providers in place.

	performance post award.	
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3.1. **Recommended option (and reason why)**

- 3.1.1 The commencement of a competitive tender process (Option 4) is recommended. Undertaking a bespoke tender exercise under the light touch regime will generate several competitive bids from providers who can deliver the required quality standards given the significant value of this contract across a maximum period of 5 years.
- 3.1.2 It is proposed to award a contract or two contracts for a maximum contract period of 5 years without the option to extend.

4 **CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. The following key stakeholders were consulted at various stages throughout the tendering and evaluation process:

Internal:

Adult Social Care Commissioning Team
Commercial Services Team
Legal Services
Finance Team
Data Protection Team
ASC Safeguarding Team
Residents at Pantiles House and Trellis House

External:

Current providers
Local Authorities under Extra Care South London Forum

5 **TIMETABLE**

Milestone	Target Date
Presentation of Gateway 1 report to Departmental Procurement Group	4th October 2023
Place notice on Forward Plan for Gateway 1 Cabinet approval	5th October 2023
Presentation of Gateway 1 report to Procurement Board	25th October 2023
Presentation of Gateway 1 Report to LSG	30th October 2023
Presentation of report to Cabinet	16th November 2023
Call in expires	24th November 2023

Complete preparation of tender documents including specification, Method Statements, Evaluation Matrix, Form of Tender, Pricing Schedule, terms and conditions.	11th September 2023 – 27th November 2023
Invite tenders	27th November 2023 - 8th January 2024
Evaluation of submissions	9th January 2024 - 31st January 2024
Prepare Contract Award/ Gateway 2 Report	5th February
Presentation of Gateway 2 Report to Departmental Procurement Group	7th February 2024
Procurement Board Meeting (Gateway 2 report to be submitted by 15 February)	20th February 2024
Call in expires	28th February 2024
Notify bidders of outcome	29th February 2024
Standstill period	11th March 2024
Contracts award via Portal	12th March 2024
Mobilisation (Lead in period) ends	30th April 2024
Contract Start Date	1st May 2024

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Finance resources:- The current service value is funded from Adult Social Care budgets and aligned to the home care placements budget. The procurement requirement and its associated delivery will be funded in the same way.
- 6.2. Internal resources include:- South London Legal Partnership (SLLP) who will draft contract terms. Adult Social Care to prepare procurement documentation and evaluate tenders. Commercial Services will be leading on this procurement.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The proposal to procure the contract under the light touch regime enables the Council to set up a bespoke process with greater flexibility in the procurement process. The process will need to be in compliance with the provisions of the light touch regime set out in the the Public Contract Regulation 2015. Once the contract is awarded it will need to be entered onto the Contracts Register.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. Bids submitted by providers will be assessed against a criteria developed to comply with current equalities, diversity and human rights legislation as well as Council Policies with regard to equalities, diversity and human rights compliance.
- 8.2. The successful bidder(s) will be required to confirm that they would be able to meet these requirements while delivering Extra Care and Housing Related Support Services.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. There are no specific implications that would affect this tender.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. Any organisation(s) to be awarded a contract 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 provision of Extra Care and Housing Related Support for our vulnerable residents.
- 10.2. 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:
 - 10.2.1 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.
 - 10.2.2 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.
 - 10.2.3 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.
 - 10.2.4 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.

- 10.2.5 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.
- 10.2.6 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.
- 10.2.7 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.

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 key aim is to make Merton more environmentally sustainable by reducing carbon, greenhouse gas emissions and increasing local resilience to the impacts of a changing climate through sustainable design throughout the process of delivering Extra Care and Housing Related Support services to our customers.
- 11.2. By growing the market and obtaining more availability within the borough itself, carbon emissions will be reduced as fewer service users will need to be placed long distances from their original location.

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

- Exempt Appendix 1

13 BACKGROUND PAPERS

- 13.1. The Council's Contract Standing Orders
- 13.2. The Council's Procurement Strategy

Committee: Cabinet

Date: 16 November 2023

Wards: All

Subject: Cashless Parking Solution

Lead officer: Dan Jones, Executive Director, Civic Pride

Lead member: Cllr Stephen Alambritis MBE, Cabinet Member for Transport

Contact officer: Rachel Dooley, Project Manager, Parking Services

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 approves the award of a contract for the provision of Cashless Parking Solution to RingGo Ltd (our incumbent supplier of the cashless parking service), by a 'Call-off without Competition' (Direct Award) for a 5 year period with a no fault break clause from year 3.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. The report sets out the basis for this report and recommendations. The Gateway 1 report was signed off by Legal, Finance and Commercial Services and has been approved for commissioning by the Procurement Board on 19th September 2023.

2 DETAILS

2.1. The contract for the current cashless parking solution was for an initial 4+4 years with an optional +24 month extension period. The initial term expired on 4th July 2022, however the contract has been extended via a Gateway 3 report using the optional + 24 months, giving a revised contract end date of 4th July 2024.

Currently Cashless Parking forms part of the contract we have with ParkNow, (who's product is RingGo), to deliver both Cashless and Parking Permit elements. The parking permit element is being procured separately alongside a new PCN system. We therefore need to procure a Cashless Parking system to provide an ongoing service from July 2024, using the ESPO Parking Management Solutions Framework ref: 509_23, Lot 3 Cashless Parking Solutions. The contractor shall provide a

service that enables customers to pay for parking charges using a debit or credit card either by an app, mobile/telephone call, or website. It should also allow for customers to extend their parking session (where maximum length of stay restrictions allow) using their phone without the need to return to their car. The cashless service also allows motorists to access free parking sessions where eligibility exists.

2.2. The Council has provided a cashless parking service for on and off-street parking since 2014. Motorists expect to be able to use cashless parking, which offers an alternative to pay & display (P&D), for parking charges. Since the introduction of RingGo (the current cashless parking system), cashless parking has become an essential service with currently 86% of transactions for parking charges are made through RingGo. The cashless parking service lets customers pay for and extend their parking from anywhere with their phone and online. The cashless parking provider's data is compatible and integrates with the parking enforcement software.

2.3. Realtime data relating to the cashless parking session is transmitted to the Civil Enforcement Officers (CEOs) handheld devices, so that enforcement can be efficiently managed.

2.4. In the last financial year (2022/23), income from the on and off-street cashless parking service was circa £4.8m.

2.5. The ESPO 509_23 framework provides the quickest and simplest route, with the leading established suppliers in the market. Lot 3: Cashless Parking Solutions covers cashless parking solutions and associated products and services, including integration with other parking related software.

2.6. There are eight suppliers under the ESPO framework that could tender for the cashless parking solution. There are two suppliers that can meet two mandatory elements of the specification for Merton. Merton currently offers an alternative cash payment method to pay & display (PayPoint). Consequently, this is a mandatory requirement of the new contract and only two of the suppliers can offer it. Of the two suppliers one would offer the service as part of the contract, the other would offer it as a cost to the Council. The supplier's pricing schedule indicates this would cost £10k to implement and £15k support costs over the 5-year contract term for PayPoint.

The second key issue is there is no identified capital budget to support the replacement of the on/off street signage. Therefore, the current supplier would incur no additional costs for this element. The alternative Supplier's pricing schedule indicates this could cost approximately £500k.

As result of the two issues described above, an alternative to the incumbent would cost in the region of £525k capital costs – please see section 2.8 below for further details.

2.7. A pricing comparison exercise has been carried out between the two main suppliers, to analyse the costs and ensure we will benefit best value for money. **Please see Appendix A.** The pricing comparison can only be based on the information presented on the framework's suppliers pricing schedules.

2.8. Following the analysis of the suppliers on the ESPO framework, it has been identified that we have justifiable reasons to conduct a 'Call-off without competition',

as permitted under the framework. This has been supported by the Framework Manager at ESPO, who has confirmed with Commercial Services that a comparison between the two providers that have our mandatory requirements is acceptable under the framework rules for a direct award, and therefore Merton can conduct a 'Call-off without competition'.

3 ALTERNATIVE OPTIONS

3.1. **Do nothing** – this is not a viable option. We have an obligation to motorists to offer an ongoing cashless parking solution to provide a service to pay for parking sessions. Not having payment facilities would possibly result in significant traffic management issues, inability to use the car parks effectively/efficiently the Council has leased, and significantly increase enforcement activity. This would also result in significant income losses to the Council.

3.2. **Use an in-house solution** – this is not a viable option. There are no suitable systems currently in use at the Council, so it would need to be developed from scratch. This would be resource intensive and expensive to implement and upgrade. This would not be achievable by the time the existing contract expires.

3.3. **Procure using an open tender approach** – this is a potential option; however, this is a lengthier process and would be open to a larger group that may not meet our mandatory needs. Research has already shown that only two out of eight suppliers can meet our mandatory requirements (maintaining current services for residents and motorists). Using an open tender approach is a lengthy, time-consuming process, which may not offer a new supplier, that can meet all our mandatory needs without significant additional costs to the Council.

3.4. **Call-off without Competition (Direct award), using the ESPO 509_23 framework** – this is an option which has been approved by the Procurement Board which is the quickest, simplest, most cost effective and compliant route. The framework has access to the market leading suppliers and the latest products. The Council has experience using the framework and is time and resource saving. This is an opportunity to continue an established relationship and the system is already configured and tested, and with the signage already in place there would be no capital costs involved to purchase new signage. There is no limit on the contract length so there is an opportunity to renegotiate the contract in the short-term, whilst awaiting the National Parking Platform to be established. Research has demonstrated that this is best value for money between the two suppliers that can meet our mandatory requirements for PayPoint.

3.5. **Further Competition using the ESPO 509_23 Framework** – this is an option, and offers similar benefits pointed out in 3.4. However, the suppliers pricing schedules highlights that only two of the eight suppliers under the framework can meet our mandatory requirements (PayPoint or equivalent). In addition, there would be significant capital costs of up to approximately £525k (for configuration, implementation, signage, and PayPoint setup).

It should be noted that if Merton were to exercise this option this would result in addition capital costs that is not currently budgeted for. The only option therefore would be to secure capital funding from the capital budget for the PCN and Permit system. This could result in the need to secure more capital funding for the PCN

and Permit system, or the funding not being available thereby impacting negatively on a separate procurement exercise.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. None required.

5 TIMETABLE

5.1. The timetable is as follow:

Cashless Parking Timetable	
Procurement Board GW1 recommendation for direct award	Tuesday 19 September
Finalise award criteria: Specification, SLA, KPIs, T&C's, communicate and finalise details with supplier.	Wednesday 20 September – Tuesday 27 November
Procurement Board GW2 Award authorisation	Wednesday 25 October
Submit to Leader Strategy Group	Wednesday 25 October
Leader Strategy Group	Monday 30 October
Submit to Cabinet	Wednesday 8 November
Cabinet	Thursday 16 November
Call-in period completion	Friday 24 November
Confirmation of award letter sent to successful	Monday 27 November
FTS Contract Award Notice/Contracts Finder Notice/Add to Contracts Register	Tuesday 28 November
Mobilisation period	Tuesday 28 November – Wednesday 3 July 24

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. A credit check was carried out and the recommended contract value is £2,400,000. The recommended total value of contracts for this supplier is £6,000,000.

6.2. We recognise that the contract value is higher than the 'recommended' contract value, however risk mitigation is that payments will be made to the supplier in arrears, on a monthly basis over the 5 year contract term.

6.3.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. The ESPO framework 509_23 is live and national framework that provides a compliant route to market for the Council for an above threshold procurement compliant with the Public Contracts Regulations. The framework includes RingGo Limited and provides for direct award. The Council must retain evidence of its compliance with the award procedures laid down in the framework.

7.2. As described in this report the use of the framework will provide for a lawful award in accordance with the Council's contract standing orders CSO12.4 and CSO18.2.1 as well as the Public Contracts Regulations 2015 (PCR).

- 7.3. Once the contract is awarded the contract should be noted on the Council's Contract Register and the usual contract award notice needs to be published on Contracts Finder (in compliance with CSO 20.3 and 20.4 and regulation 108 of the PCR).

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 ENVIRONMENTAL AND CLIMATE IMPLICATIONS

11.1. Cashless parking is a more environmentally friendly way to pay for parking. There is no requirement for a physical P&D ticket to be obtained and displayed in the vehicle, thus removing the requirement for paper ticket rolls, meaning less opportunity for litter and the need for the Parking Technicians to drive to each P&D location to replenish ticket roll stock.

11.2. The cashless service contributes to improve air quality by reducing the need for Parking Technicians to drive around the Borough to visit pay & display machines (P&D) to carry out maintenance work and has reduced the need and frequency of cash collections rounds. In addition, this will also reduce motorists driving around looking for a parking space to the nearest P&D machine, as they can make payment remotely from any location.

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

- Appendix 1 (Exempt) – Supplier Costs
- Appendix 2 (Exempt) – Gateway 1 Report

13 BACKGROUND PAPERS

None

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