

Committee: Council

Date: 2 March 2016

Agenda item:

Wards: All

Subject: Business Plan 2015-19

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance

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

Contact officer: Paul Dale

Urgent report:

Reason for urgency: The Mayor has approved the submission of this report as a matter of urgency as it is a statutory requirement that the Council sets a balanced budget and Council Tax as appropriate for 2016/17 by 10 March 2016.

Recommendations:

1. That the Council agrees the Business Plan 2016-20 including:-
 - A) the General Fund Budget;
 - B) the Council Tax Strategy for 2016/17 equating to a Band D Council Tax of £1,102.25, which means no change in Merton's Council Tax.
 - C) the Medium Term Financial Strategy (MTFS) for 2016-2020;
 - D) the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy);
 - E) the Capital Strategy (Section 4)
 - F) the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators as set out in this report, and agrees the formal resolutions as set out in Appendix 1 to this report.

1. Purpose of report and Executive Summary

- 1.1 At its meeting on 15 February 2016, Cabinet considered a number of reports which concerned the detailed structure and scrutiny of the Council's Business Plan for 2016-20, including the Budget and Council Tax for 2016/17, the MTFS for 2016-20 and the Capital Strategy and Investment Programme for 2016-20. A Savings Mitigation Fund Reserve of £1.3m has been created in 2016/17 following confirmation of additional resources from New Homes Bonus in response to the concerns raised at Scrutiny to reduce the impact of service pressures in 2016/17 on vulnerable residents and officers have been asked to seek to identify if similar significant funding is available in future years.

1.2 The main reports were:-

- Reference from the Overview and Scrutiny Commission – pre decision scrutiny of the Business Plan 2016-20 (Agenda Item 6)
- Business Plan 2016-20 (Agenda Item 5)
- Adult Social Care (ASC) 2016/17 budget savings (Agenda Item 8)

1.3 In respect of the reference from Overview and Scrutiny Commission it was RESOLVED:-

- That Cabinet, in taking decisions relating to the Business Plan 2016-20, acknowledges the comments and recommendations made by the Overview and Scrutiny Commission and the outcomes of consideration by the Overview and Scrutiny Panels, as detailed in paragraphs 2.5 to 2.12 and in Appendix 1 of the report.

1.4 In respect of the Business Plan report (Agenda item 5) it was RESOLVED that Cabinet:-

- 1) considered and agrees to response to the Overview and Scrutiny Commission;
- 2) resolved that, having considered all of the information in this report and noted the positive assurance statement given by the Director of Corporate Services based on the proposed strategy, the Council Tax in 2016/17, equating to a Band D Council Tax of £1,102.25 be approved and recommended to Council for approval. This represents a Council Tax freeze;
- 3) considered all of the latest information and the comments from the scrutiny process, and makes recommendations to Council as appropriate;
- 4) resolved that the Business Plan 2016-20 including the General Fund Budget and Council Tax Strategy for 2016/17, and the Medium Term Financial Strategy (MTFS) for 2016-2020 as submitted, along with the Equality Assessments (EAs), be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;
- 5) resolved that, having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy (Section 4) as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;
- 6) notes that the GLA precept will not be agreed by the London Assembly until the 22 February 2016, but the provisional figure has been incorporated into the draft MTFS;
- 7) requests officers to review the savings proposals agreed and where possible bring them forward to the earliest possible implementation date;

- 8) notes that there may be minor amendments to figures in this report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March;
 - 9) approves the Risk Management Strategy
 - 10) in response to concerns raised at Scrutiny, review the current level of service being provided by Crossroads if they were to continue into 2016/17, with any shortfall being met from non-recurring savings and work with them to enable them to re-focus their service from 2017 in line with the needs of carers and in particular in order to offer a competitive and quality service to carers with personal budgets who want to choose the respite package that suits their needs best.
 - 11) in response to concerns raised at Scrutiny that the reduction in government funding is causing pressures in adult social care in particular, that a new "Savings Mitigation Fund" reserve of £1.3m is established by applying the additional New Homes Bonus to reduce the impact in 2016/17 on our most vulnerable residents, to update the MTFS accordingly and that officers are asked to seek to identify if similar significant funding is available in future years.
- 1.5 In respect of the ASC Savings and consultation report (Agenda item 8) it was RESOLVED that Cabinet:-
- 1) finalise the recommended budget for Adult Social Care (ASC) in 2016/17 (£74.845m gross and £51.481m net) for Full Council, including required savings, taking into account the outcome of the consultation exercise and taking into account any recommendations from the relevant Overview and Scrutiny Panel and Commission.
 - 2) authorise the Director of Community and Housing, within the council's Constitution, to take the action necessary to achieve these savings.

2. Introduction

- 2.1 This report provides a comprehensive presentation of all issues relevant to the formulation of the Council's Business Plan for the period 2016-20.
- 2.2 The report includes details about the General Fund revenue budget and explains how this information has been used to produce a draft budget and Council Tax levy. It summarises the work that has been undertaken since April 2015 towards formulating the Business Plan 2016-20 including the Budget for 2016/17, Medium Term Financial Strategy 2016-20 and Capital Strategy 2016-20. It describes the steps taken to ensure that business planning is integrated with financial planning. It sets out details of how the budget has been structured to ensure that a balanced budget is set for 2016/17 and progress towards a balanced budget over the medium term. A separate section is provided for Schools budgets.
- 2.3 The report sets out the draft Capital Programme 2016-2020. It details the work that has been undertaken to produce a programme that is aligned with business planning requirements and also integrated with the revenue budget.

- 2.4 The Medium Term Financial Strategy (MTFS) is updated to reflect the Council's anticipated financial outlook over the period 2016-2020.
- 2.5 Cabinet on 15 February 2016 was invited to consider the various responses from scrutiny bodies to the draft budget proposals as set out in a separate report on the agenda for that meeting. The Overview and Scrutiny Commission and panels considered the budget savings proposals agreed by Cabinet on 19 October 2015 and 7 December 2015 and the Overview and Scrutiny Commission also considered the additional information provided in the report to Cabinet on 18 January 2016.
- 2.6 At this Council meeting, Members are presented with details that provide a comprehensive presentation of all issues relevant to the formulation of the Council's Business Plan for the period 2016-2020.
- 2.2 The report includes details about the General Fund revenue budget and explains how this information has been used to produce a draft budget and Council Tax levy.
- 2.3 The Council's Business Plan 2016-20 consists of a number of key elements and the report is structured into five sections for ease of reference :-
- Section 1: Business Plan 2016-20 including the Medium Term Financial Strategy, the overarching financial strategy, which brings together individual elements of the budget and reviews the strategic aims and key issues and assumptions.
 - Section 2: The General Fund Revenue Budget and Council Tax strategy;
 - Section 3: Schools budgets – funded by Dedicated Schools Grant (DSG)
 - Section 4: The Capital Programme and the Capital Strategy;
 - Section 5: The Treasury Management Strategy
- 2.4 The Scrutiny Function
- 2.4.1 The Overview and Scrutiny Commission and Panels considered the draft capital programme 2016-20 during the November 2015 cycle of meetings and feedback from this scrutiny process was considered by Cabinet on 7 December 2015. Cabinet considered revenue savings proposals at its meeting on 7 December 2015 and referred them, along with draft EAs, the capital programme and service plans as part of a pack of measures, to the Overview and Scrutiny Panels and Commission for consideration during the January 2016 cycle of meetings.

During the January 2016 cycle of meetings the available details relating to the MTFS, revenue and capital budgets and the Business Plan were considered by the Scrutiny Panels on the following dates:-

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

2.5 Feedback from Scrutiny Process

A summary of findings and recommendations from the Overview and Scrutiny Commission was provided in a comprehensive report on the scrutiny of the Business Plan 2016-20 as a separate report to Cabinet on 15 February 2016. The Cabinet resolutions made at its meeting on 15 February 2016 in response to the Overview and Commission are set out in paragraph 1.3.

2.6 This report incorporates the outcome of the final Local Government Finance Settlement. Appendix 1 provides the Council Tax resolutions.

2.7 Delivery of the Business Plan, including the budget and service plans, will be monitored throughout the year in line with the corporate Performance Management Framework.

3. **Business Planning**

3.1 Further information about the Business Plan 2016-20 is included in Section 1 of this report.

3.2 The financial impact of the Business Plan is reflected in the budget proposals in this report.

4. **Financial, resource and property implications**

4.1 All relevant implications are included in the report with further details in the appendices.

5. **Legal and statutory implications**

5.1 The Local Government Act 2003 requires the Chief Finance Officer to report to Council as part of the budget process on the robustness of the estimates and the adequacy of the proposed financial reserves. The Council is required by the Local Government Finance Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the setting of the overall budget and council tax. The amount

of council tax must be sufficient to meet the council's legal and financial commitments, ensure the proper discharge of its statutory duties and lead to a balanced budget.

- 5.2 The Localism Act 2011 amended the legislation regarding the calculation of council tax. It also provides for a council tax referendum to be held if an authority increases its relevant basis amount of council tax in excess of principles determined by the Secretary of State. The Secretary of State has ruled that most principal authorities, which includes Merton council, proposing increases which exceed 2% or more will need to hold a referendum. Within the provisional Local Government Finance Settlement there was also confirmation of the Spending Review 2015 announcement that for the rest of the current Parliament, local authorities responsible for adult social care “will be given an additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care.”
- 5.3 In considering the budget for 2016/17, members must consider the on-going duties under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; and advance equality of opportunity between people who share a protected characteristic and those who do not; and foster good relations between those who share a protected characteristic and those who do not. Members must consider how the decisions will contribute to meeting these duties in light of other relevant circumstances such as economic and practical considerations.
- 5.4 The Council's processes for the development and adoption of the budget are set out in the Budget and Policy Framework Procedure Rules contained in Part 4C of the Constitution.

6. Human Rights, Equalities and Community Cohesion Implications

- 6.1 In identifying spending reductions, services where at all feasible, have sought to minimise the impact of the reductions on traditionally disadvantaged groups. The proposed budget reflects the Council's spending priorities for the year and the Council's core commitment to equal opportunities in employment and service delivery. The Council has a corporate policy of endeavouring to redeploy staff affected by reorganisation and other staffing changes. Every effort is therefore made to redeploy any staff affected by spending reductions.
- 6.2 A number of meetings with Staff Side have taken place and they have been advised of the Council's savings proposals and consultation is ongoing and they will be further involved in any proposals affecting staff when they are to be implemented.
- 6.3 It is anticipated that the Budget will be set at a level which enables the Council to continue to be Human Rights compliant.

- 6.4 Equality and community issues are also addressed in savings proposals. Equalities assessments of savings proposals have been provided and these were discussed at Scrutiny meetings.

7. Risk Management and Health and Safety Implications

- 7.1 Each saving proposal has been assessed in terms of service impact and reputational impact and these have been included in reports to the Scrutiny Panels.
- 7.2 In setting the budget the level of risk has been an important factor in setting the assumptions on which the overall budget is based. The level of reserves and balances, as well as the level of contingencies available have been taken into account as well as an assessment of pressures identified as part of current year monitoring. Account has also been taken, as far as possible, of the likely impact of expected legislative and technical changes.
- 7.3 Risk management and health and safety implications were considered as part of the Capital Strategy.

8. Consultation undertaken or proposed

- 8.1 Regular reports have been made on progress on the Business Plan to Cabinet on 14 September 2015, 19 October 2015, 9 November 2015, 7 December 2015, 18 January 2016 and 15 February 2016.
- 8.2 In addition, Scrutiny Panels and the Overview and Scrutiny Commission have had two rounds of scrutiny on the proposed budget and Business Plan;
- 8.3 There have been further detailed consultations held by Community and Housing and Children, Schools and Families in relation to some of their proposals.
- 8.4 In accordance with statute, consultation took place with business ratepayers and a meeting was held on 10 February 2016 at which Merton Chamber of Commerce and a representative from the Federation of Small Businesses attended.
- 8.5 Further, regarding the capital programme, meetings of the Capital Programme Board were held, consisting of key officers from each department.

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

SECTION 1: BUSINESS PLAN 2016-20

SECTION 2: GENERAL FUND BUDGET AND COUNCIL TAX STRATEGY

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|--------------|--|
| Appendix 1: | Draft Resolutions to Council |
| Appendix 2: | Local Government Finance Settlement 2016-2017 |
| Appendix 3: | Collection Fund, Council Tax Base, NNDR1 and Funding Methodology |
| Appendix 4: | Other Corporate items in the MTFS |
| Appendix 5: | Analysis of the transition from Council in March 2015 to a balanced budget |
| Appendix 6: | Statement of Council Tax requirements and balances |
| Appendix 7: | Revised MTFS incorporating changes |
| Appendix 8: | Reserves |
| Appendix 9: | Budget summaries – These replace the version included in the pack issued to Members in December 2015 |
| Appendix 9a: | Standard Subjective Analysis |
| Appendix 10: | Risk Analysis for the General Fund |
| Appendix 11: | Equalities Assessments– Where there have been changes to the version included in the pack issued to Members in December 2015 |

SECTION 3: Schools budget

No appendices

SECTION 4: Capital budget

Draft Capital Strategy 2016-20
(includes Annexes 1-5)

SECTION 5: Treasury Management Strategy

- including Prudential Indicators

Background Papers – the following documents have been relied on in drawing up this report but do not form part of the report

Reports to Cabinet
Budget files in Corporate Services department

Business Plan

2016 / 2020



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INTRODUCTION

Welcome to Merton Council's Business Plan for 2016/20, which brings together financial information in the form of the council's budget and the Medium Term Financial Strategy, along with the service planning of all of the council's operational services over the next four years. Although it is a four year plan, it will be refreshed every year to ensure we are on target and to take account of changing needs and priorities.

As the work of the council encompasses such a wide and diverse range of services, we have tried to include all the necessary information needed to understand what we are doing and why we are doing it. This information should give you a detailed picture of how the council will operate over the next four years. To help understand some of the more complex areas of the council's business a Glossary of Terms has been included.

The Background and Context section sets the scene for the Business Plan, with some of the key facts relating to Merton.

The Medium Term Financial Strategy incorporates details of the money the council has coming in (revenue) and the money and assets it has in place (capital) and how it will spend and invest this money over the four year planning period, through the Capital and Treasury Management Strategies.

Other key resources in place to enable the council to manage the Business Plan include how we:

- manage and develop staff, through the Workforce Strategy;
- obtain goods and services, through the Procurement Plan;
- design and develop information technology, through the IT Strategy;
- identify and manage the risks the council may face in delivering services, through the Risk Management Strategy; and
- manage and monitor performance against objectives, through the Performance Management Framework.

Each major work area in the council completes a service plan, to give a high level overview of its financial position, what it exists to do, what it hopes to achieve and how it will achieve its major work programmes over the next four years.

We appreciate that there is a huge level of detail in the plan, but hope it helps you to understand what the council is trying to achieve and how we intend to succeed. If you have any comments or questions on the content of this plan, then please contact zoe.church@merton.gov.uk

TRANSFORMATION STATEMENT

By 2020 Merton Council will be transformed by the fruition of a number of change projects which will maximise the use of information technology and streamline processes and service provision. Providing value for money services to our residents is at the heart of our business and we must be able to demonstrate that all of our services represent best value for money. We will do this by continuing to finding innovative solutions to maximise future efficiency.

The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2016/20 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

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

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

Our top priority will continue to be to provide safe services of the best possible quality within financial constraints and the July 2011 principles. We will deliver services that customers want and need and, where possible, involve our customers in service specification and design.

The Authority is utilising best practice in project management/ transformation to assess the future direction of services and the required staff, process and IT development to deliver this change. Internal decision making structures have been established to maximise Authority wide assessment and development.

The Community Plan has been developed by the Merton Partnership and sets the overall direction and vision for the borough until 2019.

COMMUNITY PLAN

Merton Partnership brings together a range of key partners from the public, private and community and voluntary sectors in Merton, including the council, Clinical Commissioning Group, and Police, to co-ordinate the delivery of local services. Originally formed to deliver the stretch targets required to generate additional Local Area Agreement funding, the Partnership developed the Community Plan in 2009 setting out the overall direction and vision for the borough until 2019. The document sits above each partner's own Business Plan. The Community Plan was refreshed by the partnership in 2013.

The Merton Partnership has an Executive Board structure:

The **Merton Partnership** is chaired by the Leader of the Council. The Merton Partnership set the strategic direction of the Merton Partnership and hosts an annual themed conference.

The **Executive Board** meets bi-monthly and is chaired by the Leader of the Council. The role of the Executive Board is to operationally manage the delivery of the priorities and targets of the Merton Partnership, as set out in the Community Plan and Neighbourhood Renewal Strategy.

There are four **Thematic Subgroups** which co-ordinate the activities of relevant members of the Partnership to ensure that the strategy agreed by the Executive Board is carried out through the relevant Boards and Trusts. These thematic subgroups mirror the themes of the Community Plan:

- **Children's Trust**

Merton's Children's Trust arrangements began development in 2005 and bring together all partners involved in services to children and families in Merton. A wide range of groups and partnerships are accountable for their performance and activities to the Children's Trust Board. The Children's Trust is designed to deliver the outcomes set out in Merton's Children & Young People Plan (CYPP) 2016-19, namely:

- Deliver early help and improve outcomes for those subject to the effects of disadvantage
- Safeguarding children and young people
- Looked After Children and Care Leavers
- Closing the gap in educational outcomes and opportunity
- Engage and enable young people to achieve better outcomes
- Children with special educational needs and disabilities

- **Health and Wellbeing Board**

Health and Wellbeing Boards have been created to deliver strategic, local leadership in health and wellbeing. The work of HWBs are central to informing the commissioning of health and social care services in Merton and have a core role in encouraging joined-up services across the NHS, social care, public health and other local partners.

Merton Health and Wellbeing Board's (HWB) full statutory responsibilities have now been in place since April 2013 and a Shadow Health and Wellbeing Board has been working in Merton since 2011.

The HWB brings together the Council, Merton Clinical Commissioning Group, HealthWatch and the voluntary and community sector with a shared focus on improving the health and wellbeing in Merton. Specifically:

- Improving health outcomes
- Reducing health inequalities
- Independent living
- Supported living

- **Safer and Stronger Communities**

The Safer and Stronger Thematic Partnership incorporates the statutory Community Safety Partnership (CSP) and is responsible for setting and overseeing the strategic direction for community safety and the community cohesion agenda in the borough, and to fulfil the statutory requirements of the CSP in Merton.

The Community Safety Partnership has a statutory duty to undertake a strategic assessment to inform priority setting to address crime and disorder issues in the locality. Key themes are:

- Reduce the fear of crime
- Reduce alcohol related violence and support those who are effected by alcohol misuse
- Reduce anti-social behaviour and the effects of serious anti-social behaviour on communities as well as supporting individuals to find positive outcomes for local disputes
- Reduce acquisitive crime by working with our communities to ensure that they keep their valuables safe
- Reduce repeat victimisation of domestic violence victims
- Develop the council's local leadership role and the capacity of the community and voluntary sector
- Empower local people to have a greater choice and influence over local decision-making and a greater role in public service delivery
- Increase community cohesion and integration

- **Sustainable Communities and Transport**

The Sustainable Communities and Transport thematic partnership has been established to create a more sustainable borough, one which is less reliant on fossil fuel and which reduces its negative impact on the environment and climate change in particular.

The Board promotes investment into the borough to create new jobs as well as looking to improve skills levels and the capacity of residents to benefit from these jobs and those across the region. The Board seeks to improve the condition and supply of housing including affordable housing. The Board works to promote the development of sustainable transport particularly active transport (cycling and walking) as well as public transport in and around Merton. Key themes are:

- Work to support economic growth, by increasing jobs and skills
- Work to improve the financial resilience of Merton's residents
- Work to increase the supply of housing
- Work towards carbon reduction
- Work to increase investment
- Work to improve sustainable transport provision

In addition to the four thematic partnerships, Merton Council has added the theme of

Corporate Capacity, which includes:

- Our systems for ensuring sound financial management and high standards of governance
- The effective recruitment, development and management of staff
- Having the right information and communications technology infrastructure in place to support service delivery and efficiency
- Value for money and continual review to improve processes
- Customer access, customer services and customer care
- Equalities, diversity and community cohesion
- Transparent information and service provision

NATIONAL POLICIES

The new Conservative government elected in 2015 has set out a policy direction that will have a major impact on Council services over the lifetime of this Business Plan. The Spending Review 2015 contained a number of major announcements that will affect local government and much of the detail of how these will be implemented are yet to be clarified. Key announcements included:

- Resources for local government are likely to reduce by around 30% between 2015 and 2020 according to London Councils. DCLG has experienced one of the largest cuts of any Whitehall department over this period. It should be noted that this cut is on top of a similar funding reduction between 2010 and 2015;
- The Revenue Support Grant will be phased out by 2020;
- Local authorities will be able to retain 100% of business rates by the end of this Parliament (currently 50% of business rates are retained locally split between the Mayor and London boroughs). Further detail of how this proposal will be implemented, including additional responsibilities for local government, will be consulted on in 2016;
- Devolution to the Mayor and London boroughs of some employment support and trials around some health related services;
- Further cuts to welfare benefits are likely to result in additional demand for Council services;
- Introduction of the Right to Buy for housing association tenants funded from the sale of Council housing;
- An annual 1% reduction in rents paid by social housing tenants;
- An apprenticeship levy on employers, including local authority, to fund the national apprenticeship programme.

ABOUT THE COUNCIL - An overview of the council

KEY FACTS

- The Council comprises 60 elected councillors, representing 20 wards and four political groups. The current political composition of the Council as at February 2016 is:
 - Labour: 36 councillors
 - Conservative: 20 councillors
 - Merton Park Ward Independent Residents: Three councillors
 - Liberal Democrats: One councillor
- Full Council usually meets five times a year, and is responsible for agreeing the council tax and setting the overall direction of the council.
- A Cabinet of nine Labour councillors makes the majority of decisions throughout the year, with Overview and Scrutiny arrangements to hold Cabinet to account.
- Regulatory committees are appointed by Council and carry out planning and licensing functions.
- The council had a revenue budget of £155m in 2015/16 with around 44% of this being spent on social care.
- 4,040FTE (as at Dec 15) or 5,301 headcount (as at Dec 15) employees provide a range of public services, from street cleaners and town planners to teachers and social workers, who work in the four departments, including Merton's schools:
 - Children, Schools and Families (CSF)
 - Environment and Regeneration (E&R)
 - Community and Housing (C&H)
 - Corporate Services (CS)

ABOUT THE BOROUGH

Merton is an outer London borough situated to the south west of central London. The demographics of the borough and some of its defining characteristics are listed below. Merton has a population projected in 2013 to be 202,750 persons living in nearly 79,000 occupied households. Population density tends to be higher in the west wards of the borough than in the east wards. Just over half the borough is female (50.7%) and the borough has a similar age profile to London as a whole. The GLA population projection data for 2013 shows the Merton's BAME population to be 74,650 (36.8%) At Census 2011, the percentage for BAME groups was 35.1%. This was lower than the percentage for London (40.2%).

- Predominantly suburban in character, with high levels of commuter flows in and out of central London.
- Good connections with the London transport network. The District and Northern lines both run through the borough, Tramlink provides connections between Wimbledon and Croydon via Mitcham and Morden, while numerous over ground stations and bus routes provide easy access to central London and neighbouring boroughs.
- Significant amounts of green space – 18% of the borough is open space, compared to a London average of 10%. This comprises over 65 parks and open spaces (including Wimbledon and Mitcham commons), 28 conservation areas, 11 nature reserves and 17 allotment sites.
- 124 languages are spoken in Merton's 43 primary schools, eight secondary schools (including two academies), three special schools, one Pupil Referral Unit and 11 children's centres.

- Increasing numbers of groups with particular needs, for example older people, BME communities and the increased number of young people with special educational needs or disabilities.
- Seven libraries provide internet access, summer reading schemes and homework clubs as well as traditional book, CD, DVD and video lending.
- Three leisure centres provide a wide range of facilities in Mitcham, Morden and Wimbledon.
- Merton plays host to one of the country's most famous sporting events – the Wimbledon fortnight held at the All England Lawn Tennis and Croquet Club.
- Council tax is currently set at £1,397.25 (2015/16) for a band D property (including the Greater London Authority precept), the average level for outer London boroughs.
- Merton is consistently amongst the top four safest boroughs in London which is a tribute to the excellent partnerships between the council, Metropolitan Police Service, Safer Merton Partnership and the community.

The 2015 Indices of Multiple Deprivation (IMD) show that Merton ranks as 'very low' in terms of overall social deprivation compared to other London boroughs, 7th least deprived out of the 33 London boroughs and ranked 212 out of 354 (where 1 is the most deprived) for the rest of England. This overall lack of deprivation does, however, hide stark inequalities in the borough between deprived wards in the east of the borough (Mitcham) and the more affluent wards in the west (Wimbledon). Deprivation is evident in the eastern wards of Figge's Marsh, Cricket Green, Lavender, Graveney and Ravensbury and to a lesser extent in the western wards of Trinity, Abbey and Hillside:

- The average house price for Merton in 2014 was £385,000 a increase of +16% on 2013 (£320,000). The average house price in London £365,000 (2014) an increase of +17%.
- The average median income for Merton is £31,938 (2014). When we compare house prices with average income, like most borough in London and the south east of England we can see there is a large gap between income and housing affordability.
- The GLA Pay-check 2011 dataset illustrates there are large disparities in the distribution of income within Merton. In general the west of the borough is more affluent especially Wimbledon Park, Village, and Hillside wards. These wards have a median income range of £41-£50k. By comparison many wards such as Figge's Marsh, Pollards Hill, St. Helier, and Cricket Green have a median income range of £24k-28k.
- The east of the borough has much higher levels of serious illness and early deaths from illnesses such cancer and heart disease.
- Life expectancy for men ranges from 76.5 years in Ravensbury Ward in the more deprived east to 84.6 years in Wimbledon Village in the least deprived west, a gap of 8.1 years
- Although unemployment in the borough is below the national average, it rises significantly in some of the eastern wards, and 63% of all benefit claimants live in the east of the borough.
- In three wards in the east of the borough, over a third of the population have no qualifications.
- Free school meals eligibility is rising in Merton schools (Merton average 2015, 15.7% – school census 2015).

CORPORATE STRATEGIES

The council has many corporate and service-specific strategies and plans that support the work not only of the council, but also the Merton Partnership and Thematic Partnerships. These strategies and plans draw heavily on the aims set out in the Merton Community Plan, but also reflect central Government policy changes, sub-regional policies (e.g. set by the Mayor of London), new legislative requirements and short term changes to local priorities. The following list is not exhaustive but shows the diversity of strategies and plans currently in place.

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| <ul style="list-style-type: none"> • Adult Treatment Plan • Air Quality Action Plan • Anti-Social Behaviour Strategy • Asset Management Plan • Autism Strategy • Capital Programme • Care Leavers Strategy • Carers Strategy • Children and Young Peoples' Plan • Civil Contingencies Plan • Climate Change Strategy • Commercial and Trading Standards Delivery • Community Plan • Core Planning Strategy • Corporate Procurement Strategy • Culture and Sport Framework Customer Contact Strategy • Crime and Disorder (partnership plan) • Dementia Strategy • Early Intervention and Prevention Strategy • East Merton and Mitcham • Equalities Strategy • Neighbourhood Renewal Strategy • Economic Development Strategy • Employment and Skills Action Plan • Ethnic Minority Housing Strategy • Gypsy and Traveller Strategy • Heritage Strategy • Homelessness Strategy • Housing Strategy • ICT Policy • Tenancy Strategy • Information Governance Policy • Local Development Framework • Local Implementation Plan • Local Transport Plan | <ul style="list-style-type: none"> • Looked After Children's Strategy • Looked After Children's Placement Sufficiency Statement • Medium Term Financial Strategy • Older People's Housing Strategy • Open Spaces Strategy • Performance Management Framework • Risk Management Strategy • Road Safety Plan • Safeguarding Adults Policy • Safeguarding Children's Board Annual Plan • School Improvement Strategy • Social Inclusion Strategy • Special Educational Needs and Inclusion Strategy, including ASD Strategy • Treasury Management Strategy • Unitary Development Plan • Voluntary Sector Strategy • Waste Management Plan • Workforce Strategy |
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Section A

Financial Resources

A) MEDIUM TERM FINANCIAL STRATEGY 2016/20

Contained in the body of the Cabinet Report

A) CAPITAL STRATEGY

Contained in Section 4 of the Cabinet Report

A) TREASURY MANAGEMENT POLICY STATEMENT

Contained in Section 5 of the Cabinet Report

Section B

Other Key Resources

B. WORKFORCE STRATEGY

The workforce strategy will be reviewed again following the completion of the Target Operating Model development process within the council. A refreshed draft will be ready in 2017 and in the meantime we will continue to deliver the actions identified in the current strategy. However some information has been updated.

1. INTRODUCTION

Welcome to Merton's Workforce strategy, which outlines our aims for the period 2014 – 2018 and shows how we will support, engage with and develop our workforce, so they are equipped to meet the challenges of continuing to deliver high quality services to our customers and local communities.

The people, who work for, work with, volunteer with, and wish to work for Merton Council, are vital for us to reach our goals. All of our achievements as a council, and the excellent services we deliver to our public, are reliant on us having a suitably skilled, able and equipped workforce, who demonstrates our values and behaviours. Our MJ Award for the Best Achieving Council in 2013 is testament to the commitment and professionalism of our people. This strategy aims to build on the success and dedication of the current workforce, and ensure that we have the structures and resources to meet the challenges of the future.

Through our Merton 2015 programme we have already begun to transform the way we work and what we do - successfully delivering savings and new approaches to the services we offer our residents, while maintaining customer satisfaction. In order to achieve further changes, council departments have designed Target Operating Models which are focussed on providing the highest quality services to the public, operating with efficiency and accountability.

The workforce strategy will underpin the delivery of these Target Operating Models. Our workforce is at the heart of everything we do, and this strategy ensures that we have the right staff in the right place, with the right skills and tools to enable the transformation of council services to meet future challenges. This means in some areas the council will diminish in size and in other areas it may expand, depending upon the needs of that service to operate efficiently and effectively for our residents.

The strategy has been developed in consultation with staff from across the council, harnessing their knowledge and experience to identify the measures and actions that will enable Merton Council to meet its aspirations and continue to provide our public with high-quality services, environment and facilities.

The strategy shows how departments, managers and human resources will jointly contribute towards achieving our organisational priorities, and addresses four key areas:

- Workforce planning
- Recruitment and retention
- Organisational and workforce development
- Morale, health and wellbeing

Through the action plans and outcome measures that we are proposing, we believe that we will equip Merton Council with the modern and dynamic workforce that is needed to take on the challenges of delivering excellent public services for years to come.

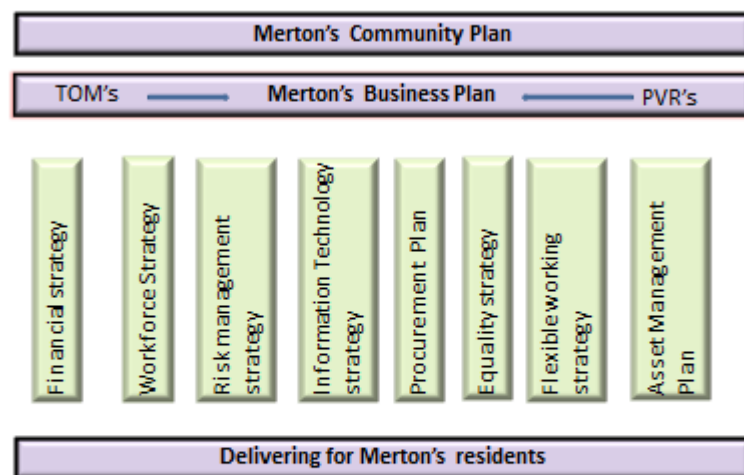
Ged Curran
Chief Executive

2. BACKGROUND

Merton Council is undergoing a period of sustained and conscious transformation in order to best respond to the changing environment (especially financial) and customer expectations. We are working together to shape services and the organisation to ensure a successful future for our residents and staff.

2.1 Key Council priorities

The key priorities for the borough are captured within the Community Plan, developed by the Merton Partnership. The Plan sets the overall long-term direction and vision for the borough to



2019.

The Community Plan identified the first four priority areas, with Corporate Capacity having been added by the Council.

- Children and Young People – Better opportunities for youngsters
- Health and Well Being – A healthy and fulfilling life
- Sustainable Communities and Transport – Keeping Merton moving
- Safer and Stronger – Being safe and strong
- Corporate Capacity

The theme of Corporate Capacity encompasses the effective recruitment, development and management of staff. This Workforce Strategy outlines how we will transform the Council's workforce and be fit for purpose in 2018.

2.2 How the Council has changed in the last 3 years

We take a proactive approach to planning for our future. Since 2010 our transformation programme Merton 2015 has delivered savings of £70 million, or one third of our budget. It is to our employees' credit that through this time we have maintained high levels of resident satisfaction.

We are particularly proud of winning over 40 industry awards across a range of sectors and having achieved the MJ Award for the Best Achieving Council in 2013 against the backdrop of such a challenging financial environment.

Continued delivery of quality and value for money services for our residents has been achieved through reviewing our service delivery models and developing innovative solutions, including shared services, partnership working and the development of volunteering in the borough. Continuous improvement is at the heart of our approach and we have introduced lean methodology to drive out waste from our processes and now work in a highly focused and lean operation.

Our employees have shown themselves equal to the challenges, and as we plan the future shape of our services and organisation, we are laying the foundations to ensure that the workforce continues to enable the Council to best serve our residents.

3. HIGH LEVEL SHAPE OF THE WORKFORCE

Merton Council has a workforce of 2,003 people in 1,787 full-time equivalent posts, with an additional 3,307 (2,253 FTE) Schools employees, not including casual staff.

We work across five Departments: Environment and Regeneration (30%), Children, Schools and Families (25%), Community and Housing (25%), Corporate Services (20%) and the Chief Executive's Department. We work over a number of sites across the Borough, and we have recently undertaken a project to move more colleagues to the Civic Centre to free up premises space.

Within Schools (68.55%) of employees work part-time, outside of the Schools we mainly work full time (74.43%).

While some groups are unevenly represented across pay levels, there are no significant discrepancies in pay by protected characteristics.

The Council has a pay ratio of 1:12 between the lowest and highest paid employees, well within the ratio level of 1:20 that was established for the Hutton Fair Pay Review (March 2011), with the Council positioned in the bottom quartile for senior pay for the 32 London boroughs.

The decision has been taken to implement the London Living Wage, increasing the salary of the lowest paid staff to £9.15 per hour from 1 April 2015. We are working on calculating the full

value of the pay and benefits package to be able to accurately communicate the reward for working at the Council.

Agency workers are a key part of our workforce plan providing resource and business-critical skills as and when it is needed, with agency workers making up 5.6% of our workforce in 2013. Through the workforce planning element of this strategy, agency use will be reviewed and reconfigured to provide best value for money and consistent service delivery, while maintaining the agility of the workforce.

We have a diverse workforce, the majority, 60% are female (88% in Schools) and 5.84% are disabled, which compares positively to the London Councils' median of 4.6% but this ratio is only 1.03% in Schools. A quarter of our workforce (23.26%) are from a Black, Asian and Minority Ethnic (BAME) background, which compares favourably to our 23% target.

However, only 5.8% of employees are from the Asian or Asian British community. In Schools there are 15% BAME employees, and 6.4% of an Asian or Asian British background, in both groups somewhat lower than the London Councils' median of 7.6%. Of more concern is the fact that within the resident community 35% are of Black, Asian and Minority Ethnic background as 18% of the community is of Asian background (2011 Census).

As is characteristic of local government, we have a mature workforce as 60.6 % of us are over the age of 45, while only 17.6% are 16-34, but only 2.21% are 16-24 of age. In recent years the numbers of younger workers have increased due to the rollout of apprenticeships.

Our turnover rate is traditionally very low with natural turnover (resignations) in 2013 at 5.5% with full staff turnover at 14.37% annually, which compares favourably with other London boroughs. In some areas however it is agreed that some turnover may actually be beneficial to service delivery and could be achieved through transformation.

In 2013 we recruited to 254 posts and the time to hire, from identification of a vacancy to the post being filled, is now at 90 days, having recently been reduced through a recruitment process review and the implementation of an applicant tracking system in April 2013.

Merton has a consistently higher than expected rate of sickness, with an average of 9.29 days per person lost to sickness, which compares unfavourably to the London Councils' average of less than 8, which is also our own target. Particularly high levels of sickness are present in Environment and Regeneration (12 days) and Community and Housing (11 days). Within these Departments, the high areas for sickness absence are Street Scene and Waste, and Access and Assessment and Direct Provision respectively. In these areas sickness is more prevalent due to the nature of the work which includes more physically demanding roles and work with vulnerable residents.

Merton Council performs well overall on analysis of our workforce data against information from London local government organisations as well as recommendations for good practice.

The following areas have been identified as requiring action through the Strategy:

- Communicating the full value of the pay and benefits package
- Spans of control (e.g. who has responsibility for what)
- The review of agency use as part of workforce planning: reducing costs, while maintaining flexibility and sufficient resource

- Representation of the Asian community within the workforce
- Ageing workforce – succession planning and talent management
- Sickness absence – managing a reduction in the number of days lost to sickness

4. STRATEGY

4.1 The Council's strategic direction

We are rightly proud of our achievements over the past years, including the MJ Award for Best Achieving Council 2013, which is testament to the quality of dedication of our workforce.

We are committed to continue making Merton a great place for people to live, work and learn. The Council provides high quality services and we work with the community to enhance resident satisfaction. In the face of the economic climate, we set out to provide excellent value for money and continue to challenge the way we deliver our services to improve outcomes for our residents. We aim to do this by finding innovative solutions to maximise future efficiency. Our customers must be at the heart of our service planning. We will deliver services that customers want and need and involve our customers in service specification and design.

We are continuously reviewing and updating our delivery models and are at the forefront of new developments, such as partnership working including shared services and flexible working. The financial pressures facing Merton mean we will now take on the role of 'place-shaper' whereby the Council should be an enabler, working with partners to provide services.

By 2015 the core Merton Council workforce will be smaller than it was in 2010. However, some service areas may remain unchanged others have experience growth in this time, for example through becoming the hosts of shared services or expanding our volunteering schemes. We want to employ people who are resilient, ambitious, disciplined in thought and action, people who can take us from 'good to great'. We will reward and celebrate great individuals and team performance, but not tolerate sustained poor performance.

We build on the principles of the disciplined people, disciplined thought and disciplined action to take Merton Council from 'Good to Great' (Collins 2006). We work to a clear direction with high ambition, a strong vision and shared values. The Council has a strong leadership at its helm, setting high expectations and driving continuous performance improvement.

4.2 Model for achieving the strategy

Since 2010 we have been working on a major transformation programme **Merton 2015**, which will radically transform our services by 2015 to meet resource constraints, while still delivering quality and value for money services for our residents.

To set the future vision for the Council and its services, we work on developing a Target Operating Model (TOM). TOM documents set a vision for each of the departments and detail the shape of our future business model, covering all aspects of the organisation, including: services, processes, structures, people and technology.

Through this process, the Departments have identified the main developments we will have to make to best deliver our services in the future. These include:

- Strategic modernisation of service delivery, including review of direct service delivery and management e.g. reduction in resources, externalisation / remodelling of services, changes to terms and conditions;
- Workforce that meets the demands of the future working environment, managing flexible working, more agile and responsive workforce, adaptability e.g. appropriate agency usage, review of the skill mix and spans of control;
- Workforce demographics, knowledge transfer and new approaches e.g. partnership working, apprenticeships and the use of volunteers;
- New and improved skills, responding to legislative changes, competency / behaviour based approach for staff management, leadership and management skills to embed a performance approach and quality assurance e.g. technical management skills, such as workforce mapping, and people management skills e.g. performance management conversations and effective staff engagement;
- 'Good to Great' principles of disciplined people, thought and action. Effective management of performance, capability and sickness, in policy as well as practice;
- Morale and engagement, further enhancing commitment to the organisation, clarifying what the Council expects of us and what we can expect of the Council. Effectively managing the impact of changes on the workforce;
- Ensuring that supporting resources and the relevant infrastructure are available, e.g. IT systems, and management information;

Additional programmes that have been designed to identify how we can provide better value for money services e.g service reviews, including Public Value Reviews, Target Operating Models and lean processes will have an impact on how we work. The reviews look to reduce costs while maintaining the quality of services and we apply the Lean methodology to best utilise our resources.

Through the Customer Contact Programme we are exploring better, cheaper contact with customers maximising the use of innovative technology to make it easier for us to do business, for customers to report service requests and for us to keep them informed of progress. This will require staff to implement and learn new systems and new ways of working to achieve this change.

The Flexible Working Programme will provide us with greater flexibility for staff and save time and money by making better use of technology.

5. KEY WORKFORCE PRIORITIES FOR THE FUTURE

We have identified four priorities for workforce transformation to support the realisation of the Council's plans for the future:

- Workforce planning
- Recruitment and retention
- Organisational and workforce development
- Morale, health and wellbeing

To understand and define the priorities, key requirements and the corresponding actions, we triangulated statistical and comparative workforce data, departmental information through discussions with DMTs and information in the TOMs, to establish the future position of the Organisational and People Layers and associated requirements, and undertook a series of employee engagement focus groups.

What we want to achieve, why this is a priority, what actions we will take and who will be responsible to lead each action are outlined in the following sections and in the accompanying action plan in Appendices B and C in more detail.

Merton Council has a diverse workforce, but there is more work to ensure it is done to be fully representative of the resident community. As these changes can take time and are not fully within the Council's control, we will work to develop awareness and skills to enable employees – particularly those delivering services on the front line – to effectively work with diverse communities.

The Council's structure, its terms and conditions and therefore its workforce reflect the traditional local authority model and are fairly rigid. While much development is already underway, we will need to carry out significant further work to modernise the organisation, its service delivery and workforce. A key element of this modernisation will be embedding a flexible approach to work, which is a newly introduced concept to the organisation. Flexible working will require new skills of managers, better performance management practice and a more outcomes based and accountability-driven approach from staff.

Highly responsive workforce planning is a new concept to some areas of the business, therefore skills to be able to do this successfully need to be developed. We will offer managers the support to accurately determine future workforce need, both in terms of employee numbers, volunteers and skills requirements. Once demand is determined, we will need an agile workforce, where employees are multi-skilled, and able to deploy their specialist skills in a range of settings.

In recent years, we have reduced management costs to minimise the number of front line job losses. We need to ensure that we have appropriate management spans of control and flexible and lean organisational structures. In 2009 Merton had 1.46 managers to direct reports. In 2012, our ratio of managers to staff was 1:6. We should aspire to develop Merton to reach the optimum span of control structure of 1:8 according to the Deloitte report to maximise efficiency and continue to reduce headcount, where it is safe and reasonable to do so. It is recognised that in some service areas, notably social care, direct practice with children has appropriate ratios, as governed by our regulators.

These transformation changes are having a significant impact on staff, which we need to proactively manage. We want everyone to feel supported to embrace these changes and will

need to provide effective change management practice, engagement and communication activities, building on recent successes in this arena e.g. shared legal services reorganisation.

In order to maintain commitment to the organisation and positive morale, we will have to communicate a new 'psychological contract' (what we can expect of the Council and what it can expect of us). We can no longer offer a job for life, or, with flatter structures, necessarily a progression through the ranks, but can provide opportunities for on-going development of skills on the job and in formal training, leading to increased professional confidence and competence and better employability for the future.

5.1 Workforce planning

The Council has effective mechanisms for successful workforce planning. The shape of the workforce reflects service delivery models and supports the organisation to achieve its business objectives and outcomes.

What we want to achieve

- Correct alignment of workforce size, skills base, and behavioural competencies to future business models
- An agile workforce, which is responsive to changing needs
- A workforce which is representative of and sensitive to the community which it serves

Why this is a priority

The workforce is truly our most important asset, and one of the largest resources, as most Council services are delivered directly by our staff. The composition of Merton's current workforce requires some changes to ensure our continued success, meet future requirements and to better reflect our communities. We need to be able to accurately predict the shape of the workforce we will need to deliver our strategic plans and our services.

Actions

- Based on departmental TOMs, design the future shape of the workforce to best match its service delivery plans and financial context;
- Determine organisational structures, which support future delivery models - determine the desired combination of directly employed staff, shared services, externalised work, agency workers and volunteers, as well as appropriate spans of control for each service area;
- Review and action requirements to reflect legislative and regulatory changes as they emerge (e.g. Care Bill, BSF and Children and Families Act);
- Manage the transition from the current to the future structure;
- Establish on-going monitoring for workforce arrangements through accurate and relevant management information for decision-making e.g. workforce, equality, productivity and financial data;

Key outcomes

- A new workforce structure is in place supporting future service plans
- Appropriate organisational structures, including spans of control, are designed and implemented for each service area, reflecting best practice and local requirements

- Enhanced service delivery – as reported through the residents’ survey - through improved workforce planning practice, including better training needs analysis
- Review and consideration of modernised terms and conditions

5.2 Recruitment and retention

The organisation has a clear and effective recruitment and retention focus and plan of key workforce skills and behaviours. This includes succession planning, and managing turnover.

What we want to achieve

- Make Merton an employer of choice through creating all innovative and positive brand image;
- Ensure future key talent is successfully recruited retained and developed in appropriate roles within the Council to deliver effective services to residents and that capacity is built across the future workforce to implement new service delivery models;
- Establish inter-organisational collaboration to ensure that Merton’s residents are served by the best people, whether within the Council or through our partners;
- Reduce recruitment and turnover costs and agency use;

Why this is a priority

We want to recruit, develop and retain talented people to enable us to deliver outstanding services to our residents. As our requirements and service delivery models change, our recruitment activity needs to evolve and respond to meet demand as cost effectively as possible. We want to attract the right people with the right skills and behaviours. We want to build leadership and strategic capacity. In specific divisions within the Council we have a high level of turnover, retention needs to be understood and stabilized.

Actions

- Implement the recommendations of the Recruitment Review 2013/14 ensuring that we optimise technological solutions, employer brand and embed the functionality of our applicant tracking system to meet hiring managers’ and candidates’ needs;
- Develop our employer brand, value proposition and talent wave to become an employer of choice, building on the success of recent awards;
- Analyse market trends, consider and find solutions for their impact on the current pay model, and communicate the value of the full benefits package;
- Sustain effective recruitment and retention of key staff groups, e.g. qualified social workers and children’s specialist functions;
- Work to reflect our communities profile: review potential initiatives to address where the workforce is insufficiently representative of the community. In the interim, provide skills development to equip staff with knowledge and insight to effectively and sensitively work with diverse communities;
- Collaborate with strategic partners to develop a mobile and agile workforce serving the residents of Merton, develop new models, such as inter-organisational

working, partnerships and volunteering;

- Develop career paths to support the optimum organisational design, build on opportunities for in-house professional development to grow leadership and strategic capacity e.g. apprenticeships, training contracts, secondments;

Key outcomes

- Balanced workforce in terms of skills, age and experience, addressing current concerns in workforce demographics and community representation;
- Merton Council perceived to be an employer of choice, attracting high quality candidates;
- Employees are more satisfied with opportunities to develop themselves and progress their employability;
- The structure and size of the Council meets current requirements and is adaptable to future needs
- Core professional and business critical skills are retained and available within the Council
- Reduction and better targeting in the use of agency staff – reduction in agency rates in social work roles;
- Talented people are delivering our services through direct employment or other service delivery models including partnership working, shared services or volunteering;

5.3 Organisational and workforce development

The workforce is equipped with the skills, competencies and infrastructure to achieve cultural change and the desired organisational behaviours when creating and delivering new and improved service delivery models (e.g. flexible working, customer service, IT). To support this the Council will provide new skills, abilities and competencies for the workforce including learning and development of key skills for future service delivery.

What we want to achieve

- Accurate mapping future workforce function, form, skills and behaviours to alternative business delivery models
- Ensure staff work in a modern, flexible way to improve productivity and efficiency and equip them with key future skills and behaviours to enable them to do so
- Provide first class customer service to meet our residents' needs, through new service channels where appropriate
- Best practice in safeguarding is embedded in all relevant roles and activities

Why this is a priority

It is crucial for Merton's success that our workforce has the right skills, behaviours and adaptability to meet the demands of the transformation and new service delivery models. Our managers need the skills and resources to effectively lead our teams and we need to be able to respond to organisational as well as legislative changes.

The requirements on organisational and workforce development are changing, with more focused and flexible options becoming the norm.

Actions

- Engender the 'Good to Great' principles of disciplined thought and action through the organisation;
- Managers' capability development specifically on building strategic capacity through future planning, accurate workforce planning and designing spans of control
 - Train managers to strategically plan for service transformation and improvement i.e. TOM's including:
 - Train managers to map future workforce profile to business need
 - Train managers to undertake development needs analysis of the workforce to improve skills and behavioural competencies
- Develop first class customer service behaviours to meet our residents' needs, through new service channels where appropriate;
- Develop a workforce that's self-disciplined, enabled with both tools and skills to deliver excellence and held accountable for outcomes;
- Engender effective change management and communication practice to support the workforce to embrace changes and minimise the impact of changes;
- Embed the management behaviours across the organisation to support performance
 - Service inputs, outputs & outcomes – performance
 - People
 - Communication – stakeholder scanning
 - Resources – money, assets, technology
 - Change
 - Self-awareness and personal responsibility
- Maintain the golden thread of Council objectives – departmental objectives – team objectives – individual objectives to guide everyone's work;
- Provide a flexible and responsive suite of development options;
- Ensure that all statutory CPD requirements are met;
- Establish effective change management practices to support employees through the transformation;
- Prioritise learning and development spending to best support the Council's objectives and transformation;
- Leverage the opportunities for development arising from shared services and partnerships;

Key outcomes

- Correlate the development of first class workforce to deliver resident satisfaction, reflective of the 'Good to Great' culture, as measured by improvements on the Mori residents' survey;
- Employees feel supported through organisational change and report that communication was effective;
- Learning needs are effectively identified and support the organisations' overall objectives in the most cost effective way;
- Leaderships competencies are clearly demonstrated and performance improved;

- Potential future leaders have been identified, the diversity profile of the group is representative of the workforce and people are engaged on a talent management programme (Bringing on Talent Programme);
- Outcomes of learning and development activity can be clearly linked to the delivery of our priorities and key workforce objectives;
- Learning and development accessible to all staff and partners where appropriate;
- Performance of staff is increased through development of key skills and behaviours supported through honest performance appraisal conversations;
- Staff understand the Council and their own priorities and know what they need to do to achieve these;
- Staff are more satisfied with the opportunities for them to contribute to how the Council works;
- Increased customer satisfaction with effectively delivered services.

5.4 Morale, health and wellbeing

We need to ensure that the organisation understands what a healthy workforce looks like and supports staff to achieve this.

What we want to achieve

- An improved understanding of the issues underpinning workforce wellbeing, and develop actions to optimise wellbeing, productivity, engagement and attendance.
- Improved morale and employee engagement

Why this is a priority

We want to be a healthy and motivated workforce, able to meet the demands of the Council, its residents and customers. We want to understand and address the root causes of sickness and act to enhance engagement and support the wellbeing of staff and improve attendance rates.

Actions

- Carry out a research project with Public Health on the root causes of sickness absence and consider its recommendations for implementation, including the option of using the London Workplace Charter
- Improve access to data and information for managers, to help them manage sickness better – embedding an attendance and performance culture
- Provide flexible working arrangements that support employee wellbeing
- Provide policies and practices that reflect the requirement for new ways of working and service delivery
- Effectively manage the impact of changes on the workforce, including appropriate supervision, direction and support from managers
- Review employee engagement initiatives and develop ways to increase engagement and Morale

- Release the capacity of staff and managers away from bureaucratic administrative practice using innovative technological solutions such as channel migration and self service.

Key outcomes

- A healthier workforce with a reduction in number of days lost through sickness – a stretch target of moving to the upper quartile from bottom quartile, with differential targets for frontline and back office
- Employees report that they feel supported in performing their roles in a day-to-day basis and through organisational changes
- Employees are more satisfied with their work / life balance
- Flexible working practices are effectively implemented and have a positive impact on morale
- Employees are aware of available support structures and make use of these as required e.g. Employee Assistance Helpline
- We have a culture of employee engagement: Staff Attitude Survey results improving each time with a stretch target of 80% satisfaction reported in 2018
- We have a culture of improved productivity as reflected in the Mori residents' survey

B. PROCUREMENT PLAN

Section 1 - Introduction

Procurement is defined in the National Procurement Strategy as:

“The process of acquiring goods, works and services, covering both acquisition from third parties and from in-house providers. The process spans the whole cycle from identification of need, through to the end of a service contract or the end of the useful life cycle of an asset. It involves options appraisal and the critical ‘make or buy’ decision which may result in the provision of services in house in appropriate circumstances”

Although the definition is primarily about procurement, it also about the need to secure sustainable services, products and outcomes which meet the needs of the community we serve. Strategic procurement also encompasses collaboration, including the need to develop partnerships, consider delivery options and ensure value for money for every pound spent.

This document sets out the Council’s strategic approach to procurement for the next 3 years. It is not intended to be a procurement manual; however, the principles should be applied to all procurement and commissioning, recognising that procurement must work closely with our health and social care colleagues to deliver value for money from all commissioning and procurement.

Consideration of this strategy is not optional and it should be read in conjunction with the Council’s Contract Standing Orders (CSO’s).

The Procurement Strategy emphasises the continuing importance of sustainable procurement being used to support wider social, economic and environmental objectives in ways that offer real long term benefits to the residents of this borough.

Cost reduction and efficiency targets will not be achieved if the Council fails to approach competition positively, taking full account of the opportunities for innovation and genuine partnerships which are available from working with others in the public, private and Voluntary, Community and Faith Sectors (“VCFS”).

This strategy provides a corporate focus for procurement. It embraces the Council’s commitment to strategic procurement and sets out the Council’s aspirations. It is not a ‘user manual’; more detail on procurement processes and issues will be found in the Contract Standing Orders and on the procurement intranet.

The strategy will contribute to delivering the long term goals of:

- The Business Plan 2016-20
- Community Plan
- Merton 2015 and beyond (good to great)

The principal means of disseminating detailed procurement guidance are the Commercial Services Team (CST), and the intranet.

Section 2 – Objectives and Benefits

The overarching objectives of this strategy are:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure customer/client needs are met
- To ensure best practice examples are identified and applied consistently across the organisation.
- To align procurement activities with other strategies adopted and to ensure that corporate objectives are addressed
- To ensure that current and future procurement activities are planned, monitored, and reviewed effectively including identifying opportunities for collaboration with both private and public sector bodies and the VCFS

In taking this strategy forward, the Council expects to realise the following benefits:

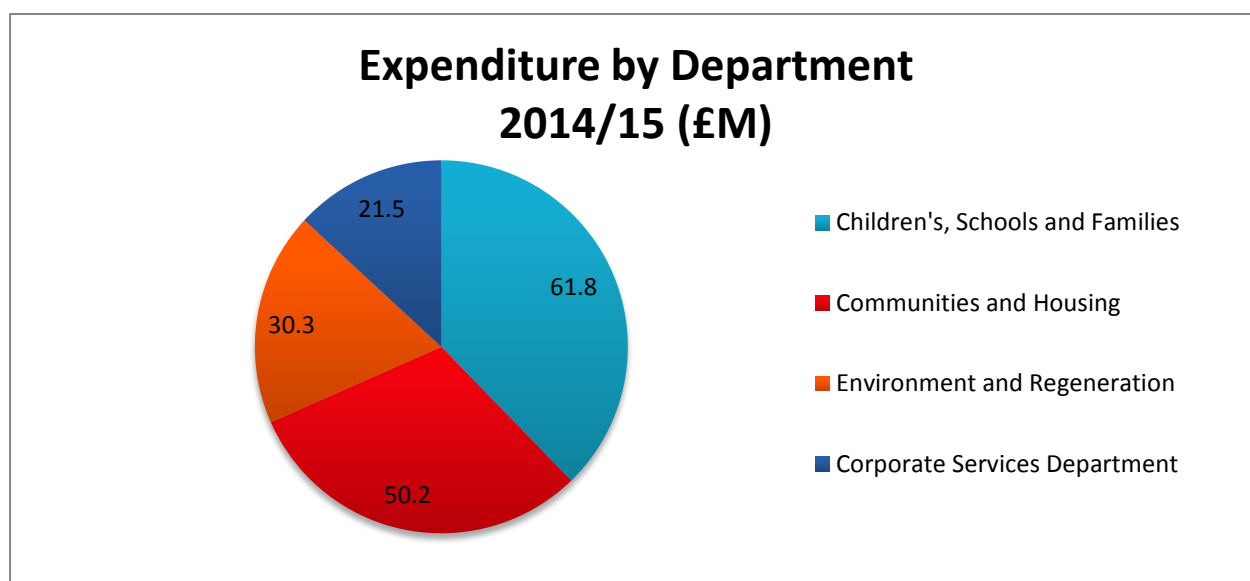
- Demonstrate continuous improvement and achieve value for money through the efficient procurement of goods and services
- Encourage communication and interaction with local and national suppliers to understand their views
- Develop relationships between the Council, the business community and the broader voluntary sector which create mutually advantageous, flexible and long term relations
- More efficient procurement processes
- Better risk management
- Strategic procurement planning
- Effective spend analysis and measurable cash savings
- Proactive contract management
- Greater use of standard processes and templates
- Compliance with appropriate legislation
- Compliance with Contract Standing Orders
- Collaboration, including with other authorities, local businesses and the VCFS
- Greater use of the E-Tendering system

Our vision for procurement is to provide a first class service for our residents whilst we build on best practice to ensure value for money in all our procurement exercises.

Section 3 - Overview of Procurement

The London Borough of Merton spends approximately £170M each year on goods and services on behalf of Merton's residents. The range of goods and services is varied, but includes services for schools, waste collection, care services for children and adults, maintaining the highways, parks and services, encouraging business growth and major construction works.

Updated expenditure to 31st March 2015



Procurement in the Council takes place across all departments and is undertaken in what is called a 'devolved' model. This means that responsible officers in the departments undertake day to day operational procurement.

CST has been set up specifically to provide procurement support, advice and guidance to the departments and responsible officers. The devolved system means that the responsibility and accountability for operational procurement decisions and actions remain firmly with each responsible officer in the departments. CST is part of the Resources division of Corporate Services department.

CST provides the following services:

- Provision of strategic commercial advice as requested
- Specific advice on EU Regulations and associated areas, including latest case law
- Benchmarking, identification and promulgation of best practice
- Involvement in high profile tender exercises as agreed
- Spend analysis and the Identification of potential savings opportunities and areas of collaboration
- Participation in key commercial exercises, such as make/buy reviews

- Maintenance of the contracts register. However, responsibility for entering information onto the contracts register and ensuring that the information is up to date and accurate, rests with the departments
- Undertaking a skills matrix and training of officers and elected members
- Engagement with partners and potential partners with the objective of streamlining the procurement process, i.e. making the Council an easier organisation with which to deal
- Providing up to date support via the intranet, toolkits, procurement guidance and advice.

Procurement is not simply about lowest price; instead it is a strategic tool to ensure that we receive best value whilst putting the needs of Merton's residents first.

Effective procurement is about managing the whole life cycle of the goods and services we procure, and also ensuring that specifications are right and fit for purpose with clear outcomes and purposes.

A number of improvements have been made, including a strengthened Procurement Board, an enhanced Contracts Register and the implementation of a new E-Tendering system. May 2013 saw the launch of the Procurement Forum, which is designed to bring together all officers who are involved in procurement and commissioning, to disseminate information from the Procurement Board, to embed best practice and to ensure that officers are kept abreast of all relevant procurement matters including changes in law. This will also be used to discuss opportunities for cross cutting and joint procurement will be investigated.

Furthermore, in January 2012 the Council adopted a new Procurement Governance and Gateway process which comprises four key elements, the Procurement Board, the Procurement Gateways, the Operational Procurement Groups and the Risk Assessment Tool. These four elements work together to enable the Procurement Board to exercise effective oversight, control and to provide direction to procurement activity Council wide.

Section 4 – Key Themes

a. Value For Money (VFM)

In the unprecedented economic climate we face, the Council will need to make substantial year on year savings for the foreseeable future. Every pound spent must deliver true value to the community, whether that is by better management of our existing contracts, proactive spend analysis, being more commercially aware, or through reviewing current services and potential delivery models.

Knowing how, where and on what our money is spent will be used to drive a supplier review to maximise savings. Furthermore, we intend to review the supply base and drive additional efficiencies by reducing the overall number of suppliers and to utilise the additional leverage obtained. This exercise will also help us to develop and shape supply markets, define the skills to develop the market and to negotiate better outcomes for the Council and service users.

Principal Objectives

- Undertake regular spend analysis of the Council's full non-pay spend with recommendations in how to identify and capture efficiencies
- Supply base review and rationalisation
- Make/buy reviews of services
- Challenge specifications and assumptions around strategic contracts

b. Category Management

By grouping together products and services according to their function (e.g. care, construction, transport, professional services etc.) the Council can better manage the overall spend, whilst maximising our buying power and achieving economies of scale.

A 'Category' is an area of spend determined by known market boundaries separating different products or services. Category Management recognises that suppliers within a certain market are likely to have similarities which enable a tailored approach to procurement.

We will develop our capacity and capability in Category Management to support the major commercial decisions the Council is facing. We will add value to projects we support, bringing commercial insight and support throughout the commissioning lifecycle. Recognising this challenge we will also develop our staff through a revised professional training programme. It will also enhance their relationship and partnership building skills. This means they will spend less time involved in the administrative task of running tenders and spend more time with customers, commissioners and our major suppliers.

Principal Objectives

- Develop a suite of category strategies to drive further savings and efficiencies
- Embed a category management approach across the Council
- Category Management specific training programme

c. Contract Management

We will manage our major contracts more actively to drive continuous improvement in performance and efficiency and further develop contract management across the Council. We will provide greater visibility of the performance of our top contracts to help to improve the management of major suppliers and ensure they are delivering against the agreed performance standards.

By reviewing strategic contracts and adopting a more commercial approach to the management of our key contracts we will ensure that improvements and efficiencies are delivered.

We will also work with operational contract managers in departments to build on best practice and provide training in contract management techniques. The outcome of this change will be measured by the monitoring of contract performance and by the identification of improvements in performance levels and additional efficiencies during the life of a contract. Furthermore, as we develop stronger relationships with our key suppliers, we will be recognised as their 'customer of choice' which may lead to increased market intelligence and therefore improve our opportunities for innovation in the marketplace.

Through a clear commercially led approach to contract management, we will ensure a greater focus is directed towards obtaining the required outcomes. This will include increased monitoring and management of supplier performance through robust SLA's and KPI's (including the delivery of

community benefits) and where performance is not being achieved, an action and improvement plan will be implemented.

Principal Objectives

- Reduce non-contracted spend
- Embed contract management principles across the Council
- Hold regular performance meetings with suppliers
- Set clear and proportionate KPI and SLA targets for suppliers
- Link payment to performance (where appropriate)

d. Partnering and Collaboration

Partnering means the creation of sustainable, collaborative relationships with suppliers in the public, private, social enterprise and voluntary sectors to deliver services; carry out major projects; or acquire supplies and equipment.

Partnerships can be beneficial and integrated in service delivery, but it needs to be recognised that this is not an easier contract style; indeed partnering agreements are likely to be more challenging than traditional contracts. A partnership agreement will therefore require careful preparation and procurement. Partnering should be considered when engaging in best value reviews of services as a potential alternative to established methods of service delivery.

When formulating our procurement strategies, we will ensure that we take account of potential opportunities afforded by partnering and collaborating. We will also look at existing framework agreements when considering any future options for procurement and where appropriate the use of any national, regional or pan London procurement arrangements that fit with the Council's strategy.

Collaboration describes the various ways in which councils and other public bodies come together to combine their buying power, to procure or commission goods, works or services jointly or to create shared services. Collaboration is a form of public partnership; its major benefits are economies of scale and accelerated learning.

We will ensure that contractors and partners have priorities which align with those of the Council and that they understand how they contribute to the Council's performance.

The Council will actively participate with other authorities and organisations where appropriate and feasible, to seek economies through joint procurement, joint commissioning, framework agreements and shared services.

Principal Objectives

- Work with other public bodies to seek joint partnering and collaboration opportunities
- Investigate the greater use of collaborative contracts
- Look to use existing framework agreements where appropriate

e. Market Management

The Council will continue to work with more diverse providers of services. In some areas there are strong markets but in others they are either small or not yet developed. The Council will make full use of all the different methods of delivery available, including joint ventures, public, private and VCFS options. Through procurement, we will support the growth of local businesses and other organisations by encouraging the use of local suppliers. While staying within the legal constraints of public sector procurement, the Council will encourage local suppliers to work with us, recognising and exploiting the ability to create a positive climate for firms based in Merton. The Council will endeavour to support a thriving local business sector, providing opportunities for suppliers to develop the capacity to win future contracts from the Council and other public sector partners.

This approach recognises that by encouraging sustainable high quality local employment, the Council is reducing the demand and thus cost of other public services. The Council will seek to encourage innovation, improve skill levels in Merton, create jobs and retain money in the local economy.

Principal Objectives

- Identify where market capacity may be weak and where new markets may need to be developed
- Encourage suppliers to develop innovative approaches
- Foster a collaborative approach to procurement
- Work to increase the proportion of spend with SME's and VCFS
- Take steps to promote and encourage local economic growth e.g. reducing the barriers to SME and VCFS participation
- Hold regular supplier engagement events

f. Supplier Relationship Management

The Council will build strong, long term, positive relationships with suppliers across all sectors, not just when actively procuring goods and services but also when considering alternative delivery models e.g. social enterprises. The Council will establish strategic relationships with suppliers to ensure that both parties are delivering against the commitments within the contract and also build upon mutual experience and knowledge to embed continuous improvement practices throughout the contracted period. Effective engagement with suppliers will also inform future specifications. This will ensure that the Council is approaching the market place with requirements which meet clearly defined needs and are commercially attractive to potential bidders.

The Council commits to making all procurement activity fair and transparent and to encourage a diverse range of potential bidders to participate.

A suite of standardised documents and contracts will be developed for use across the Council to ensure consistency and to make the procurement process more accessible to suppliers.

Principal Objectives

- Engage with key suppliers in all sectors
- Robust contract management
- Explore new models of service delivery and welcome dialogue with communities and suppliers to establish new and innovative procurement practices
- Encourage a diverse range of suppliers to work with the Council

g. Developing People and Improving Skills

Procurement is a key activity in sourcing the skills, services and supplies required by the Council to deliver community outcomes. The officers who undertake procurement and contract management activity are vital to the successful delivery of the Councils strategic procurement objectives.

The required capacity and skills will continue to be developed in departments with support and guidance from CST.

CST will develop other ideas to encourage officer participation. These will include the offering of regular 'drop-in' sessions which will allow any topic of interest to be discussed informally. Also, specific targeted training will be developed and made available to officers/teams and divisions as required.

Regular procurement forums for all Merton responsible officers will continue to be offered. Active participation will be encouraged by the use of focus and working groups on specific topics of interest; such as toolkits, market engagement and benchmarking.

The forums will:

- Bring together all professionals across the Council working on procurement activity into a single forum
- Provide a platform for evidence sharing and best practice (both internal and external)
- Introduce and embed a co-ordinated and consistent Merton approach to procurement
- Identify savings and efficiencies opportunities

The forum is a reference group, accountable to the Procurement Board, with recommendations and updates to be fed bilaterally.

Principal Objectives

- Provide a career path for practitioners of procurement with clear roles and responsibilities
- Provide skills and training and learning & development opportunities for officers
- Ensure that procurement best practice advice is available via the Procurement Toolkit

h. Systems and Processes

Continued use of the E-Tendering system has improved compliance and at the same time it has streamlined the tendering processes.

The contracts register has received a refresh and is now part of the E-Tendering suite which is in the public domain so that any interested parties may view it. This has led to greater visibility of Council spend which will be fed into procurement and resource planning and should lead to greater opportunities for efficiency savings.

It will also make it easier for members of the public to have their requests under the Freedom of Information Act 2000 (FOI's) answered quickly and efficiently.

Ensure council and departmental rolling 1-3 year procurement plans are produced each financial year and kept up to date.

Principal Objectives

- Maintain an up to date contracts register
- Increased use of the E-Tendering system
- Investigating the strategic use of E-Auctions
- Training in the use of the procurement toolkit
- Develop a comprehensive rolling 1-3 year procurement plan

Section 5 - Governance Framework

Merton's procurement is governed by EU law, UK Law and lastly by Merton's own rules for procurement which are the Contract Standing Orders. These laws and processes are mandatory for officers of Merton to follow.

a. The Corporate Management Team

The Corporate Management Team (CMT) will continue to initiate and lead all procurement activity and endorse and support adherence to the procurement Strategy across the Council. CMT will set the strategic direction of the Council, empower officers and hold officers to account in the delivery of the strategy.

b. Contract Standing Orders

The Council will comply with the wide range of legislation, regulation and guidance which governs procurement. The Council's Contract Standing Orders for procurement have been revised in line with the latest legal and operational requirements and came into effect on 1st April 2012.

Adjustments to the existing thresholds and delegations were made and provide the ability to improve the speed and simplicity of procurement activities and authorisations. Further revisions are planned during 2016/17. Adherence to the Contract Standing Orders will be enforced to ensure the highest standards of probity and compliance, one of Merton's principles underpinning procurement activity.

c. The Procurement Board

The Procurement Board is the primary strategic agent through which procurement activity is governed. The Procurement Board is made up of senior management officers and procurement professionals and is chaired by a Director.

The main functions of the Procurement Board are:

- Oversee the production and management of the procurement strategy
- Assure that procurement is managed competently and legally
- Ensure changes in legislation e.g. The Social Value Act (2013) and best practice are embedded in the Councils procurement practices
- Assessing whether procurement is achieving best value for the Council
- Ensuring that staff engaged in procurement have the required skills
- To be responsible for the Operational Procurement Groups (OPG)

d. Departmental Management Teams

Departmental Management Teams will receive regular reports from their procurement champions and ensure that the Procurement Strategy is being delivered effectively within their respective departments.

e. Operational Procurement Group

The OPG's are the operational arm of the Procurement Board, and are the means through which departmental procurement activity is planned and co-ordinated. One OPG exists for each department and the Groups co-ordinate, risk assess and manage the flow of all procurement activity. Each group is championed by a departmental procurement lead who also attends the Procurement Board.

f. Procurement Gateway process

It is a risk based approach which uses a series of minimum criteria and risk triggers to determine which procurement activities will come to the Procurement Board.

Projects will automatically come to the Procurement Board for review where:

- the total value is over £3m (or annual value over £750k)
- or the decision to award the contract is to be made by Cabinet or
- three or more risk triggers are assessed at amber level or greater. These include; political or reputational risk, impact of failure on service user and maturity or volatility of the market.

g. Financial Regulations and Procedures

The Financial Regulations and Procedures are the internal rules applicable to Merton's financial processes and these have also been reviewed to take account of current and recent changes in procurement practice e.g. use of Framework Agreements. Within the options appraisal carried out for each procurement project there will be included due consideration to the methods of financing the project available i.e. capital borrowing, leasing, and other alternatives.

h. Procurement Plans

These plans identify the required strategic procurement activities for a period extending 1-3 years into the future. The departmental procurement plans inform the Corporate Procurement Plan, which will encompass all major

procurements due in the following 1-3 years. This will allow for enhanced planning and scheduling, improved visibility and improved risk management for the Council's major procurement activities. The Corporate Procurement Plan is overseen by the Procurement Board.

i. Procurement Templates and Toolkits

The 'Procurement Toolkit' is available to officers via the Procurement Intranet pages and it provides specific procedural guidance and templates for procurement activity.

The Council will review and keep these up to date. It is against this procedural guidance that individual compliance will be measured to ensure best practice, legal compliance and whether there is any off contract spend.

The CST will be working with departments to improve the current toolkit and templates.

j. The Contracts Register

The Contracts Register is a Council-wide record of all contracts that the Council has entered into above the value of £10,000.

The Contracts Register is now hosted via the London Tenders Portal as part of the Council's E-Tendering system. Responsible Officers must ensure that all contracts are entered onto it and that they are kept up to date.

The Contracts Register will continue to be a key component to co-ordinate and risk manage procurement activity at the corporate level and will assist with FOI's.

k. E-Procurement

In January 2011 the Council invested in an E-Tendering system called Pro-Contract. The system provides officers and suppliers with an effective and efficient way to electronically manage tender and quote processes. The system is designed to allow staff to conduct requests for quotations and tenders online, much more quickly and also to allow potential suppliers to respond without the need to complete numerous paper forms.

We will ensure that the benefits of E-Tendering continue by the promotion and monitoring of the system. The use of the E-Tendering system was made mandatory in the new CSO's which came into effective on 1st April 2012.

Improved use of the E-Tendering system will provide corporate visibility on spend and prevent duplication of processes. Improved corporate visibility will in turn allow greater scrutiny of the management of spend across the Council.

I. Looking to the Future

We are investigating the use of E-Auctions as a way of saving additional monies.

Section 6 – Key Actions

A procurement action plan will cover the principal objectives detailed in this strategy document.

To help us achieve our vision, there are five key actions we are taking:

1. Implement our people development plan, putting in place a new programme of training, coaching and mentoring
2. Roll out stronger contract and supplier management across the Council for key contracts, identifying clear roles and responsibilities and providing professional support for service teams
3. Develop a rolling three year corporate procurement plan, incorporating robust departmental plans
4. Provide an updated procurement toolkit and templates for responsible officers
5. Increased use of partnerships and collaboration with other organisations to drive greater efficiencies

By 2016, we will have:

Delivered substantial cost savings through strategic contracting, to help meet the Council's budget targets

Developed a best-in-class service which is highly responsive to the needs of customers, and is valued by them as a strategic partner in developing their own plans

Encouraged greater levels of spend with local suppliers and have thriving relationships with local businesses and VCFS communities

Established strong partnerships with other public sector bodies to leverage best value for money

Contacting Us

Please contact us if you have any questions, comments or feedback about the Procurement Strategy:

E-mail: procurement@merton.gov.uk

Phone: 020 8545 3736

Other useful websites

Audit Commission <http://www.audit-commission.gov.uk>

Comprehensive Performance Assessment

<http://www.audit-commission.gov.uk/cpa>

Department for Communities and Local Government

<http://www.communities.gov.uk>

Improvement and Development Agency, (I&DeA)

<http://www.idea.gov.uk>

Local Government Association

<http://www.lga.gov.uk>

Regional Centre of Excellence

<http://www.rcoe.gov.uk>

B) INFORMATION TECHNOLOGY STRATEGY

The Information Technology strategy will be reviewed again following the completion of the Target Operating Model development process within the council. A refreshed draft will be ready in 2017 and in the meantime we will continue to deliver the actions identified in the current strategy.

EXECUTIVE SUMMARY

This document sets out the Council's vision – articulated as a series of strategic objectives – for its information, communication and technology infrastructure and architecture.

The development of the document is a result of a comprehensive planning and consultation exercise involving all services across the organisation. This was guided by a number of design principles that provide a broad framework within which the strategic priorities have been developed. The aim of these principles is to ensure that the management and development of IT and systems complies with necessary standards and protocols and aligns with the wider strategic direction of the council by:

- organising information and systems around customers;
- automating processes wherever possible;
- supporting joint working and shared services; and
- reducing, as far as possible, reliance on highly technical support.

Importantly, the strategy introduces a Technical Design Authority to ensure a controlled, disciplined approach to changes to the technical architecture and infrastructure. This is designed to accommodate the demands and requirements that will inevitably arise during the lifetime of this strategy but are not currently known. The role of this body will be to manage and agree any alterations that are proposed to the agreed implementation plan that supports this strategy. The terms of reference for the group are appended to this strategy (Appendix 2), and these are designed to ensure it operates in a collaborative, agile way to mitigate against the risk of unnecessary bureaucracy and business interruption,

The strategic priorities that this strategy seeks to deliver are:

- Customer focused systems
- Integrated and joined-up systems and infrastructure
- IT that is fit for purpose now and into the future
- The ability to operate from multiple locations and devices (flexible and mobile working)
- Increased self-service
- Automation where it's efficient and effective to do so
- Systems and infrastructure that are resilient, compliant and experience minimal downtime

All of these outcomes need to be delivered within an overarching strategic aim of **becoming a more efficient organisation and reducing operating costs**.

These high level outcomes shape and prioritise the activity set out in the supporting implementation plan for the strategy.

ABOUT THIS STRATEGY

This document sets out Merton's vision and strategy for its Information, Communication and Technology infrastructure and systems architecture. In developing the strategy, officers have drawn on the target operating models (TOM) and associated delivery plans developed by the Council's businesses throughout 2013/4. This ensures that Merton continues to take a business-led (and therefore customer-led) approach to the development, improvement and maintenance of its IT assets.

The strategy also reflects the more technical guiding principles and constraints that frame our IT ambitions, either because of legislative requirements or as part of our commitment to adhere to industry standards and best practice.

In striking the balance between responding to business need and managing IT assets effectively and efficiently this strategy is designed to provide a broad strategic framework for the maintenance and improvement of the Council's IT and business systems. It is supported by a more detailed implementation plan that sets out the operational tasks associated with achieving the strategy. The implementation plan will be reviewed annually; the content of the plan and progress against it will be assured and managed through Corporate Services DMT and the Merton 2015 Board. The Assistant Directors of Infrastructure & Transactions and Business Improvement will be jointly accountable for its delivery.

BUSINESS CONTEXT

As a high achieving authority, Merton is single minded in its commitment to continuous improvement. The organisation recognises that this will require IT infrastructure and systems that support excellent services and – in the context of a decreasing financial envelope – greater automation and self-service.

The financial context in which we operate requires that the organisation finds ever more efficient ways to manage and improve its IT assets. Where judicious investment is required in order to transition the organisation towards more efficient ways of working on an 'invest to save' basis, the Council allocates funding from reserves earmarked specifically for this purpose. The Merton 2015 and Capital Programme Boards manage this process, awarding funding on the basis of sound business cases and overseeing their implementation to ensure benefits are realised.

Through the development of TOMs each business has set out its future state and the role that IT will play in enabling this. It is this information that, drawn together, forms the basis of this strategy and supporting implementation plans. The activities reflect the development, improvement and maintenance of IT and business systems needed by services in order to achieve their stated ambitions.

In addition, the strategy incorporates the activity that will be required to deliver cross-cutting transformational projects and programmes of change and improvement. The most notable of these are:

- Flexible Working – a programme of coordinated activity designed to introduce modern working practices that make the most effective and efficient use of office space and officer time.

- Customer Contact – a three-year programme that will enable and drive channel shift, the transition of customer interaction to cheaper (usually online) channels and self-service wherever possible.
- Mobile working – the integration of systems and introduction of mobile devices and mobile-enabled systems so that officers can work from any location.
- SCIS – the re-procurement of the Council's social care information system.
- Financial systems – the re-procurement of the Council's financial information management systems.

STRATEGIC DESIGN PRINCIPLES

As this strategy has already acknowledged, Merton must be judicious in its management and development of IT and systems – changes to our infrastructure and architecture have cost implications beyond the initial investment as they will require support and maintenance. In addition, there are a suite of technical standards and protocols with which the Council needs to comply.

To ensure that all of these factors are taken into account, the organisation has adopted an holistic approach to developing this strategy. Businesses have worked with target operating models to clarify and articulate their current and future IT needs; but to help frame their thinking and ensure development proposals are realistic a series of design principles have been applied to the process. These will continue to inform our IT development:

- IT systems must be customer centric and support the Council's customer contact strategy.
- IT systems should consolidate information around the citizen, reduce reliance on paper and provide automated workflows wherever possible.
- IT systems must support social inclusion and be user friendly.
- IT systems must improve information use and sharing with Merton partners, where appropriate, and comply with the Information Strategy.
- IT systems will maximise use of configuration to ensure they are readily upgradable and supported by the vendor.
- IT systems and Service delivery will be designed with shared function/service in mind.
- All IT developments, improvements and technology purchases will be controlled and well managed (through the Technical Design Authority) to ensure technology compliance and maximum value is achieved.

STRATEGIC PRIORITIES

Drawing on the TOMs and transformation delivery plans of the organisation, as well as developments in the world of IT, legislative requirements and industry good practice, we have developed a set of strategic priorities that clarify where scarce resources will be focused over the life of the strategy.

These are the high level outcomes this strategy aims to deliver:

- Customer focused systems
- Integrated and joined-up systems and infrastructure
- IT that is fit for purpose now and into the future
- The ability to operate from multiple locations and devices (flexible and mobile working)
- Increased self-service
- Automation where it's efficient and effective to do so
- Systems and infrastructure that are resilient, compliant and experience minimal downtime

All of these outcomes need to be delivered within an overarching strategic aim of **becoming a more efficient organisation and reducing operating costs.**

These high level outcomes shape and prioritise the activity set out in the supporting implementation plan for the strategy. The following objectives set out in more detail how each will be achieved.

Customer focused systems

- Council systems that support the Customer Contact Strategy and programme, enabling a customer centric approach, with information consolidated around the service users.
- Support social inclusion by maximising access to IT resources by members of the community and community groups, and by providing user-friendly systems, systems that cater for a wide range of needs in support of the Digital Inclusion Strategy.
- Support the customer contact strategy by providing a consistent customer experience through a variety of channels.
- Customer data stored consistently across various systems.
- System and IT infrastructure enhancements and implementation informed by business need (which in turn articulates customer need).
- Where feasible and beneficial, maximise the benefits of mobile working by gathering multi-agency data at each interaction thereby reducing multiple contacts with customers.

Integrated and joined-up systems and infrastructure

- System integration wherever possible and beneficial.
- Actively consider the potential for joint working with partnering boroughs and agencies in all IT decisions.
- Improved – through IT systems/infrastructure – information use and sharing with Merton partners.
- IT infrastructure and systems that support, enable and promote shared services.

- Support business transformation through end- to-end integration of processes, consolidated customer data bases and exploiting e-enabling services and improved service delivery within the council.
- Create and maintain a 'single version of the truth' with appropriate arrangements in place to improve and maintain primary data sources that feed secondary sets with minimal manual intervention.
- Maximise existing investments.

Fit for purpose now and into the future

- Create a clear vision and target operating model for the IT infrastructure and systems architecture that is based on businesses' plans for the future.
- Create and maintain IT infrastructure and systems that support business agility.
- Lead and promote business change through innovation and technology.
- Actively maintain good market intelligence and scan for new opportunities.

Operating from multiple locations and devices

- Provide business solutions and IT infrastructure that support the flexible working programme and accommodation strategy through mobile and home working.
- Documents available electronically at point of use; reduced reliance on paper.
- Telephone systems and printing follow the worker.

Increased self service

- Introduce and improve the functionality of web-enabled services and systems.
- Better use and quality of geospatial data.
- Support stronger clienting of the IT service by businesses by raising IT skills.

Systems and infrastructure that are resilient, compliant and experience minimal downtime

- Establish and maintain a programme for effective disaster recovery.
- Develop and regularly test business continuity plans.
- Achieve and maintain compliancy with PSN, N3 and CJSM regulations.
- Manage and monitor 'downtime' that is as close to zero as possible.
- Introduce, develop and maintain change control mechanisms.

CHANGE MANAGEMENT

A key factor in delivering this strategy will be the introduction and maintenance of effective change management mechanisms. As the Council increases its reliance on technology through programmes such as Customer Contact and Flexible Working but also seeks, in parallel, to reduce the cost of maintaining and supporting systems and IT infrastructure, establishing effective governance and control of IT assets will become even more important. The uncontrolled and ungoverned development of systems and IT infrastructure risks not only confusing and disrupting the system and IT architectures, but also carries a cost implication: improvements will be inefficient where technical support and maintenance

resource implications have not been correctly understood. This could, in the longer term, counteract business benefit/efficiencies if not properly planned for.

It is therefore important that explicit arrangements are put in place that guarantee that appropriate discipline will be consistently applied to the development of the organisation's system architecture and IT infrastructure. Whilst this strategy and implementation plan provides a route map for investment over the coming four years, it cannot be expected that the requirements of the organisation will remain static over its lifetime. New business demands are likely to emerge that are not currently understood, or are driven by changes in policy or statutory frameworks. For this reason, this strategy incorporates the introduction of a **Technical Design Authority**. The role of this body will be to manage and agree any alterations that are proposed to the agreed implementation plan that supports this strategy.

It will govern and manage development of the Council's systems and IT and ensure changes and improvements are compliant with not only necessary technical and security standards, but also Council strategy, i.e. rationalisation and integration of systems, reduction in support overheads etc. This will ensure that there is full collaboration and consultation on any significant proposal to amend the Council's technology architecture (outside those improvements and activities already agreed as part of this strategy and implementation plan).

The terms of reference for the group are appended to this strategy (Appendix 2). The first task of this group will be to develop – in conjunction with departments – a 'scheme of delegation' that clarifies the practical scope of the board and define the level of change that needs to be referred to the board and that which can be dealt with locally. This will mitigate against the risk of unnecessary bureaucracy and business interruption.

OPERATIONAL DELIVERY

The core delivery plans for the Infrastructure and Transactions and Business Improvement divisions will incorporate activity required for the routine maintenance of the Council's IT infrastructure and systems. This strategy and supporting implementation plan captures the activity over and above this core offer, relating to improvements outside those that are routinely expected. For each of these, a business case has been prepared to secure investment from earmarked reserves. This will enable the necessary resources to ensure timely and effective delivery to be made available.

Prioritisation and sequencing of the programme will be managed through Merton 2015 Board to ensure that it takes account of pan-organisation imperatives and priorities. Regular reports on progress and resource management will be submitted to the Merton 2015 Board, in addition to Corporate Services DMT.

A series of Service Level Agreements will sit alongside the strategy and set out agreed metrics and service standards to enable departments to assure and monitor delivery.

BUSINESS CONTINUITY

Business continuity will be assured through the deployment of four planned maintenance windows per year. These will allow crucial system and infrastructure updates and improvements to be made with minimum impact on service provision.

It will also be enhanced through the provision of suitable Wide Area Network (WAN) links to the designated Business Continuity centre; and we will ensure that connectivity to Business Critical systems is maintained in the event that we were no longer able to occupy the Civic Centre.

We will continue to ensure that the remote access infrastructure is available with diverse internet routes.

Business continuity plans will be routinely reviewed and tested.

DISASTER RECOVERY

The Council's IT infrastructure and business systems underpin many of the Council's critical activities. In the event that an incident occurred that interrupted the availability of IT and systems – for example a fire, or borough emergency that affected the Civic Centre – it would be essential that systems were restored as quickly as possible. This is particularly true given the potential for some systems to support civic recovery.

In order to ensure this is the case, we will complete Phase 1 Disaster Recovery arrangements, which include the identification of the Council's core business critical IT systems and the relocation of hardware to the new Disaster Recovery facility located at London Borough of Wandsworth. We will also review departmental IT Disaster Recovery plans and provide some critical challenge to ensure that they are robust and fit for purpose.

Utilising agreed planned maintenance periods we will undertake regular testing of Disaster Recovery arrangements including operational infrastructure, hardware and emergency backup systems to ensure that they are fully operational.

We will develop phase 2 Disaster Recovery arrangements including the procurement of new Active/Active Storage Area Network equipment (SAN) and install the new infrastructure and equipment at the Civic centre and Wandsworth sites.

Finally, we will properly map and document the new Disaster Recovery processes and produce an operational maintenance manual.

All of these activities – along with timescales – are included in the Implementation Plan that supports this strategy.

APPENDICES:

1. Implementation plan
2. Technical Design Authority terms of reference

RELATED DOCUMENTS

[Information Technology \(IT\) Policy \(November 2013\)](#)

[Social Media Protocol](#)

Information Strategy

List of Agreed Schemes in the IT Implementation Plan

.Appendix 1

| Project Name | Brief Description | Comment as at w/c 01/02/2016 |
|--|--|--|
| System improvements and implementations - AGREED and RESOURCED | | |
| In-Cab - specification devt and requirements gathering | Exercise to establish business requirements for functionality currently delivered through Confirm (street scene, asset mgt & waste mgt) | Completed, cost prohibitive and scaled down into EAMS project |
| (EAMS) - Environmental Asset Management system - specification devt and requirements gathering | Exercise to establish business requirements for functionality currently delivered through Confirm (street scene, asset mgt & waste mgt) | Completed and finalised and submitted to tender portal. |
| (EAMS) - Asset Management - procurement and implementation | Project to procure and implement new Environmental Asset Management System (EAMS). | Delayed, re-publish Tender documents early 2016 |
| Customer Contact | Implement new transactional website, content management system, customer account functionality and customer relationship management system | Work in progress |
| EDRMS | Implement replacement EDRMS (to replace SMART) | As above |
| Implement room booking system (internal) | Room and Space management system | Completed |
| (SCIS) - Social Care Information System | Implement replacement system (replacing CareFirst) | Implementation in progress due to go live for both Adults and Children early 2016. |
| Inspire | Scope and initiate work to achieve new European INSPIRE standard for metadata for geospatial info. | Mostly completed and published. |
| Data labelling | Implementation of new system to categorise and label data for increased information security | Re-scoping in progress |
| (FIS) -Financial Systems Re-Engineer | Procure and implement replacement financial management information system | Procurement completed, New vendor on-board, implementation in progress |
| Implement phone system call control liberty system | Implement Liberty Parking Services | Completed |

| Project Name | Brief Description | Comment |
|------------------------------|--|--|
| Implement Planet Press | Implement new system for automated payment letters and printing | Completed for initial scope, further opportunities for automation to be investigated. |
| Automated Council Tax forms | Implement (pilot) new revenue and benefits ePayment portal solution to automate Council Tax payments | Completed |
| ANPR - Specification | A consultant to write the specification and provide expert advice and support in respect of the project to procure new ANPR CCTV cameras to be used for traffic enforcement. | Completed |
| GIS requirements review | A consultant to assess and prioritise the GIS requirements of the Authority. | Completed |
| Pop Up Libraries | | Completed |
| NHS Number as URN | To introduce the NHS number as the URN within our Social Care System. Already under way and in CareFirst action plan | New connector to be implemented within the SCIS project - delayed due in future release (Jan 2016) |
| Tree Survey Remote Solution | Provision of remote survey solution for tree survey work (underway) . | IT hope to provide short-term solution (awaiting information from supplier), Confirm replacement will address in the longer term. This has been superceded by EAMS |
| Schools Admissions System | Procurement exercise and implementation of new schools admissions system (Currently Impulse system) as current contracts expire - No shared service, so use of Framework. | Implementation complete. Went live on 30th September 2015 |
| Mapping and Data Improvement | Geocode and integrate a range of datasets into the GIS database - prioritised by business benefit. | In progress, procurement completed - Survey company started. |

| Project Name | Brief Description | Comment |
|---|--|--|
| Firmstep e-forms | Develop and implement a range of new eForms (using existing system) to provide automation for businesses pending replacement eForm solution becoming available through Customer Contact programme. | Work started on prioritised basis - Accident reporting completed, resource constraints may delay further work. |
| Libraries Self Service Machines | To replace the current self-service kiosks in libraries | Tender completed - implementation started |
| ANPR - Implementation | Following successful trial, Implement automatic number plate recognition system. Now to be combined with CCTV maintenance contract. | Delayed but now back in progress. |
| Library system Enhancements | A series of enhancements included within the LLC (London Libraries Consortium) development plan. | Relevant projects relate various TOM highlighted potential enhancements |
| ePayments re-procurement and implementation | Civica icon epayments contract expires 31st March 2016, Re-procure and implement new solution by 31st March 2016. | Procurement completed, implementation in progress. |
| Infrastructure improvements and implementations - AGREED | | |
| Replace all photocopier / printers | Replace all MFD on floors and print room and install integrated system | Some issues with the print to print room software, software now tested in I&T planning taking place for full rollout |
| Replace corporate Storage Area Network and backup solution | Replace SAN and Backup to near zero downtime | Completed |
| Replace desktop devices | Replacement desktop devices | All XP machines removed, continuous replacement program replacement in progress |
| Replace out of warranty servers | Replace out of warranty servers | Servers are replaced as required |
| Replace UPS batteries | replace UPS batteries | Completed |

| Project Name | Brief Description | Comment |
|---|--|--|
| Renew Citrix licences | purchase more VDI licences | Works being discussed |
| Replace Core switches | Replace core network switches | Works being discussed |
| Retender Prism asset management system | Retender Asset management, patch management and deploy | have soft market tested, specification now being written for procurement start end of November, tender evaluation nearly completed |
| Purchase of additional tokens | Purchase additional tokens for remote working | Completed |
| Purchase of additional tapes | Purchase additional tapes for network backups | Completed |
| Replacement of lobby screens | Purchase replacement screens for lift lobby | Completed |
| Replace edge Network switches | replace Network edge switches | Works being discussed |
| RE-cable sites network cabling | Recable sites with new cabling | New fibre cable ordered and we are waiting on implementation |
| Proxy server replacement | | |
| Infoblox replacement | Replace DHCP / DNS infoblox | Completed |
| Replace flukes | Replace flukes used for network testing | |
| Replace Netscaler remote access | | Completed |
| Spam Filters | replace email spam filters | Works in progress |
| Upgrade PABX | | |
| Replace VOIP phones | | |
| Replace BTS call logging | Replace telephone call logging system | |
| Replace Voicemail System | | Replacement system being tested |
| Replace internet packet shaper | | |
| Replace Wifi | Replace corporate Wifi system | |
| Shared connection part of LOGO cloud | Enable computer use from other SW5 boroughs | |
| Replace NOF PC's | Replace Publix access terminals | |
| Consolidate Network management and Server management software | | |

| Project Name | Brief Description | Comment |
|---|--|--------------------------------------|
| Replace PTC scheduling software | | |
| Retender Source One email archiving | | |
| Renew Microsoft Enterprise agreement | | Annual renewal |
| Replace MASCOTT system with new product includes telephony and data | | Procurement stopped being retendered |
| Re-open Dolliffe Close | A project to re-provide Merton IT infrastructure into Dolliffe Close to enable the use of that site by the Supported Living team. Work is already underway | Completed |
| Marine College | Implement Marine College at Wimbledon Park. | Completed |

Terms of Reference

January 2016

1. Purpose

The Technical Design Authority (TDA) is the strategic body which ensures that an appropriate level of governance and control is applied to changes or improvements in the council's IT infrastructure or systems. Its role is to facilitate appropriate challenge, assurance and support to ensure all proposals for major upgrades, or new systems, modules, or services, are fit for purpose.

The Technical Design Authority will;

- govern and manage the IT systems architecture and IT infrastructure for the London Borough of Merton;
- maintain and lead on supporting IT policies and standards;
- agree and manage changes to the IT Strategy and Implementation Plan; incorporating changes and development to the systems architecture and IT infrastructure for the council such that it complies with strategic objectives, relevant legislation, appropriate quality standards, and good practice;
- oversee changes to, and development of, the systems architecture and IT infrastructure for the council set out within the IT Strategy and Implementation Plan in order to ensure that these are well managed and meet agreed business objectives;
- implement and maintain a scheme of delegation that allows for effective and timely decisions on changes to the IT Strategy and Implementation Plan at a level proportionate to their significance and impact;
- review its Terms of Reference annually.

2. Functions

The overarching objective of the TDA is to ensure that the appropriate level of discipline and control is applied to changes or improvements to the council's IT infrastructure and systems.

The ultimate aim is to enhance IT performance and flexibility and ensure that the council's technology is fit for purpose, the likelihood and predictability of success is increased, and the likelihood and cost of non-conformance is decreased.

This is to be achieved by ensuring that all proposed significant changes are approved by the TDA prior to funding being allocated or implementation agreed.

This extends to technical aspects of wider transformation and improvement projects and programmes commissioned across the council.

The TDA defines significant change as;

- any new system, module or service

- any major upgrade to current infrastructure or;
- any major system upgrades, enhancements or configuration.

The scope of the TDA does not extend to routine maintenance and upgrades, nor any activity already agreed as part of the IT Strategy and Implementation Plan.

The TDA operates closely with the Continuous Improvement Team and Business Partners to ensure that it is engaged at appropriate gateways in the project / programme cycle, and provides advice, guidance, and support to projects / programmes, and services to enable benefits to be secured through well managed and disciplined technical improvements.

In considering proposed amendments and alterations to the systems architecture and infrastructure, the TDA will consider;

- selection and design of technology for systems development / maintenance and production operations;
- alignment of proposals with the council's strategic direction, including the IT Strategy, Information Strategy, and corresponding enterprise architecture principles, architectures and roadmaps;
- guidance and advice on leading practices, industry standards and conventions and frameworks and methods;
- technical risks and mitigation strategies;
- integration with existing systems and infrastructure so that the overall solution meets a combined set of user requirements;
- impacts on existing infrastructure capacity and systems;
- software licensing impacts (where relevant);
- data integrity and quality and, specifically, alignment with agreed master datasets;
- future support requirements and the capacity of the council to respond to these;
- feasibility in relation to costs, resources, impacts and business benefits;
- design to meet technical goals in relation to compatibility, usability, security, reliability, maintainability, reusability, supportability and recoverability in operations;
- implementation plans to increase the likelihood of success, e.g. project / programme management that complies with MAP, scheduled user testing, etc.;
- ability to meet business continuity and disaster recovery arrangements of the council.

The TDA will also regularly review the relevant council policies and standards to ensure they are fit for purpose.

3. Membership

The membership of the TDA will be drawn from Corporate Services to ensure the appropriate level of technical expertise.

The Board will be considered quorate if the Chair (or their delegate) plus four other members, including the Head of IT Systems and Head of IT Delivery (or their delegates), are present.

The table below outlines the TDA membership and expected roles.

| Post | Role in the TDA |
|---|---|
| Director of Corporate Services | Chair |
| Assistant Director of Infrastructure and Transactions | Ensure proposals align with strategic direction of the organisation in relation to IT Infrastructure |
| Assistant Director of Business Improvement | Ensure proposals align with strategic direction of the organisation in relation to transformation and change and IT systems |
| Head of IT Service Delivery | Ensure proposals align with IT strategy in relation to operational management of IT Infrastructure |
| Head of IT Systems | Ensure proposals align with IT strategy in relation to operational management of IT Systems Architecture |
| Head of Continuous Improvement | Ensure proposals align with the Merton Improvement Portfolio and Merton Approach to Projects (MAP) methodology |
| Head of Information Governance | Ensure proposals align with the council's data protection and information governance policies |

Business Partners are considered optional attendees unless their Department is bringing a proposal to the TDA, in which case their attendance is mandated. The Business Partners will support the Department in the preparation and delivery of their proposal for the TDA. They will ensure business interests are represented in technical decisions.

Additional temporary members will be invited to join the board for individual meetings where a particular item requires their expert input. These will usually be Heads of Profession for a given area or subject.

The TDA will always seek to reach a decision on any proposal through consensus and collaboration; looking to reach a conclusion that is in the best interests of the organisation as a whole as well as the service seeking to introduce change. In the event that such a decision cannot be reached then the TDA will escalate the decision to the Merton Improvement Board or CMT as appropriate, providing all necessary information to ensure a swift resolution can be achieved.

4. Board support

The Continuous Improvement Team will organise and service all TDA meetings. This will include scheduling meetings and circulation of documentation, maintaining an online document library, keeping a decision log and minutes of all meetings, and monitoring

actions arising from the meeting, including escalating issues / out of date actions to Merton Improvement Board as required.

Each meeting will adopt the following broad format:

- A representative from the relevant business area, preferably the owner of the proposed initiative / project, will present their proposal, including any options appraisal undertaken, the anticipated business benefits, and the overarching plan.
- Board members will ask questions and clarify the proposal as required.
- The Board will reach a decision on the proposal which may be to;
 - a) approve as currently set out;
 - b) approve subject to certain amendments or additions;
 - c) refer it for further development on the basis of guidance provided by the board, or;
 - d) reject the proposal altogether with a clear rationale for the decision.

5. Accountability

The TDA will report all decisions to the Merton Improvement Board (MIB) on a monthly basis. In addition, the TDA may escalate issues and risks to MIB as required.

The TDA will work in conjunction with the other established change control mechanisms within the organisation as follows:

| Governance | Role | Relationship to TDA |
|-------------------------------------|--|---|
| Departmental Management Teams (DMT) | Business leadership and management; agree, prioritise and resource transformational activity. | Refer requests / proposals for significant system / IT changes to the TDA for advice prior to approval. |
| Senior Management Teams (SMT) | Manage discrete business functions, propose, prioritise and manage transformational activity. | Consult the TDA on proposals for significant system / IT changes for advice prior to approval. |
| Merton Improvement Board (MIB) | Oversees cross cutting transformation and secures assurance on quality and progress against delivery. | Refer requests / proposals for significant system / IT changes to the TDA for advice prior to approval. |
| Capital Programme Board | Oversees, determines and directs activity (projects and programmes) undertaken as part of the council's capital programme. | Refer requests / proposals for significant system / IT changes to the TDA for advice prior to approval. |
| Carefirst Programme Board | Oversees and directs significant change to the Carefirst System, ensuring this is driven and takes | Significant improvements to be referred to the TDA for consultation. |

| Governance | Role | Relationship to TDA |
|---|---|---------------------|
| | full account of business need. | |
| Adults and Children's Departmental Information Groups | Manages and controls change to the Carefirst system at the operational level, ensuring this is driven by and takes full account of business need. | N/A |

6. Meetings

TDA meetings will be scheduled every two months for routine agenda items and non-urgent requests. Additional reactive meetings will be held as required in order to respond in a timely manner to more urgent change and improvement requests that cannot wait until the next scheduled meeting. In the case of such urgent requests a meeting will be convened and a decision reached (subject to sufficient information being made available to the Board) **within seven working days.**

Requests are to be submitted via email to the Continuous Improvement Team (continuous.improvement@merton.gov.uk) and DMTs must approve any proposals / requests arising from their department prior to submission to the TDA.

The Board will meet every eight weeks on the fourth Tuesday of the month.

7. Extraordinary Meetings

The Board may arrange occasional meeting to address specific themes or topics.

Section C

Risk Management

C. RISK MANAGEMENT STRATEGY

Policy Statement

Merton's policy is to manage our risks by identifying, assessing and controlling them, with the aim of eliminating or reducing them to acceptable levels whilst being mindful that some risks will always exist and will never be eliminated.

The council recognises its responsibility to risk management by supporting a structured, systematic and focussed approach to risk management through the approval of our risk management strategy.

The effective management of risk is at the core of our approach to delivering cost effective and efficient services as well as sound corporate governance and is a continuous and evolving process, running through our strategies and service delivery arrangements. As risk is very much concerned with our objectives, the management of it will be closely linked to the creation of our strategic, service, project and partnership objectives and plans.

Our risk management process will be continuous and will support internal and external change. The risk management process will be fully integrated with the normal business management processes across the authority.

Merton's aims and objectives in relation to risk management are to:

- Establish and maintain a robust framework and procedures for the identification, analysis, assessment and management of risk, including reporting and recording.
- Minimise the council's exposure to unacceptable levels of risk, minimise injury, damage, loss and inconvenience to staff, residents and service users.
- Integrate risk management into the day to day activities of staff and the culture of the organisation, raising awareness of the importance and need for risk management.
- Assign clear roles and responsibilities for councillors and officers responsible for risk management
- Ensure consistent application of our methodology across all of our activities, including partnerships and projects.
- Effectively manage the total cost of risk.

We will achieve this by:

- Having a clear and concise risk management strategy which underpins our approach and responsibilities to risk
- Incorporating risk management into business planning, project management and service delivery
- Monitoring risk on a regular basis through the Corporate Risk Management Group (CRMG)
- Reporting on risk on a regular basis to the Corporate Management Team (CMT), Cabinet and General Purposes Committee

Risk Management Strategy

The process of identifying and evaluating risks is known as risk assessment. By understanding the risks we face, we are better able to actively recognise where uncertainty surrounding events or outcomes exists, and identify measures which can be taken to protect the council, its staff, residents, customers and assets from these risks.

This strategy provides a structured approach to identifying emerging risks as well as assessing and managing current risks. It also incorporates a process for regularly reviewing and updating identified risks.

This strategy will be reviewed on an annual basis, and updated where required.

What is risk?

Risk is the threat that an event or action may adversely affect an organisation's ability to achieve its objectives and successfully execute its strategies. A risk can be a threat, obstacle, barrier, concern, problem or event that may prevent us fulfilling our objectives.

Our risk management processes also include the assessment of Issues. Issues are current problems, questions, outstanding items, tasks or a request that exists in the immediate present. There is a strong element of fact surrounding it. An issue becomes a risk when the issue cannot be addressed and could continue or get worse.

Definition of Risk Management

Organisations exist to achieve their ambitions, aims and objectives. Risk Management is the process by which organisations methodically address and identify the risks that may prevent them from achieving these ambitions, aims and objectives. The intention is to achieve sustained benefit within each of their activities, and across the portfolio of all their activities.

Ultimately, risk management is about creating a better understanding of the most important problems facing organisations.

Risk is also implicit in the decisions all organisations take; how those decisions are taken will affect how successful they are in achieving their objectives. Decision making is, in turn, an integral part of the day to day existence and is particularly significant in times of change. Risk management therefore is a key component in the management of change and helps to support effective decision making.

We endeavour to identify all risks facing the council and to monitor, manage and mitigate (where possible) all those risks which are deemed to be high (scored Amber or Red). Risks are monitored via Departmental Risk Registers, and key crosscutting risks to the council are also placed on the Key Strategic Risk Register (KSRR).

The benefits of risk management

In addition to the business and service benefits of our approach, we are required to undertake risk management because it forms part of the Annual Governance Statement. We must, therefore, demonstrate that we have a systematic strategy, framework and process for managing risk.

However, the council recognises that the benefits of risk management far outweigh the requirement to undertake the activity and such benefits include:

- Stronger ability to achieve our ambitions, aims and objectives as key risks are managed.
- Better decision making as we are more aware of risk.
- Ability to take advantage of opportunities because we understand the risks attached to them.
- Better governance and the ability to demonstrate it to our stakeholders.
- Reduction in failure, loss, damage and injury caused by risk
- Improvement in our ability to adapt to change
- Improvement in our corporate governance
- Compliance with statutory and regulatory requirements

Organisational awareness of risk and risk management

Ensuring that there is a strong organisational awareness of risk management will be achieved through training sessions, reviews, departmental meetings, briefings and staff bulletins which will take place on a regular basis. Each department has an assigned Risk Champion who will offer guidance to staff where required. The [risk management intranet page](#) will be regularly reviewed and staff will be signposted to the information they need to pro-actively identify and manage risk ie the Risk Management Toolkit and other guidance.

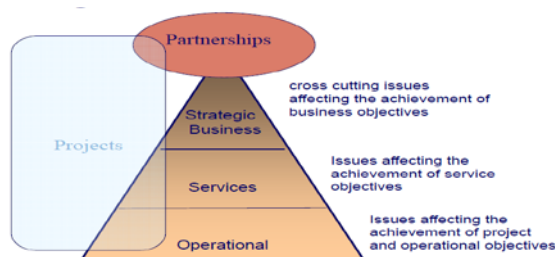
Risk Appetite

The council recognises that its risk appetite to achieve the corporate priorities identified within its business plan could be described in general as an “informed and cautious” approach. Where significant risk arises, we will take effective control action to reduce these risks to an acceptable level.

It is also recognised that a higher level of risk may need to be accepted, for example to support innovation in service delivery. To offset this there are areas where the council will maintain a very cautious approach for example in matters of compliance with the law, and public confidence in the council, supporting the overall “informed and cautious” position on risk.

How does risk management integrate with other policies?

Risk management links closely with Health and Safety, Business Continuity, Emergency Planning and Insurance; by ensuring close links we can enhance our resilience. Generally, a single issue or risk will fall into only one of these categories; however some may fall into two or more. As Business Continuity is a way of mitigating risk, its link with risk management is key to ensuring the continuous delivery of services which are important to the community.



Risk management in projects

Risk management is a key part of the ongoing management of projects and partnerships and is clearly defined in [Merton's Approach to Projects \(MAP\)](#).

Risk management in partnerships

The council is involved in a wide range of partnerships to achieve our ambitions, aims and objectives. It is vital we assess the risks to achievement within our key partnerships, and ensure that they are monitored regularly.

Our methodology for assessing and monitoring risks has been adopted by our key partnerships in order to ensure consistent scoring, and effective integration into our risk management system.

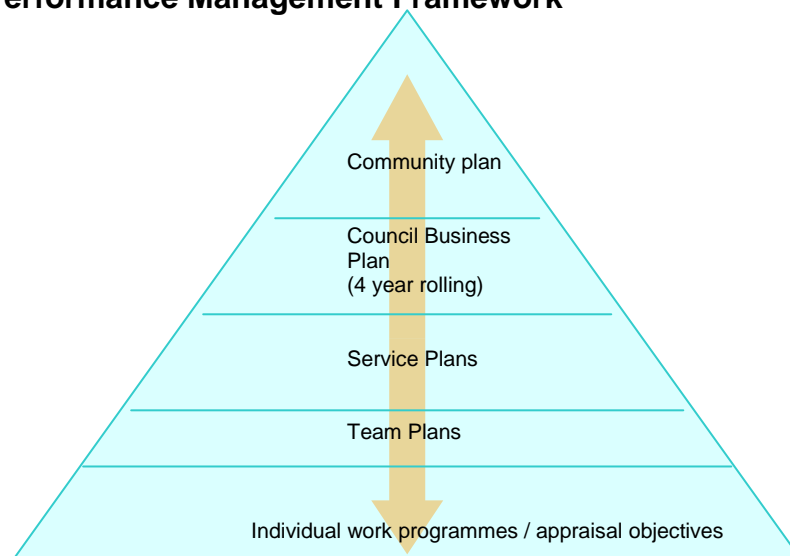
Risk management and financial planning

Risk management is an important part of financial planning. As part of the budget setting process a robust risk assessment is completed, and then reviewed on a regular basis.

Corporate approach to risk management

In order to formalise and structure risk management, it is recognised there is an obvious and clear link with the business planning process and therefore risk management sits within the Business Planning team. The overall council Business Plan, incorporating the individual service plans, sets out what a team, division, department, or the council as a whole, want to achieve within a specific time frame, as shown below.

Merton Performance Management Framework



- CMT is ultimately accountable for delivering the council's Business Plan therefore they are responsible for monitoring and reviewing the KSRR.
- DMTs are responsible for their own services' risk registers.
- Divisions or teams are responsible for their own risk registers, if applicable.

It is important that risks identified and assessed at an operational level can be escalated to a departmental or corporate level. However, because a risk may have a great impact on a team it does not necessarily follow that it may have the same impact on the department, or the organisation as a whole.

Ultimately, it is the respective management team which decides if a risk is an appropriate inclusion on its risk register.

Scoring Risk

In conjunction with this strategy, more detailed guidance will be issued to assist officers in identifying risks and issues, and the scoring, managing and reporting of those risks identified.

When determining a score for service level risks, definitions of likelihood and impact of risk (Service Level) should be used in conjunction with the matrix below. Therefore, if the likelihood of a risk is 4, significant, (occurs or likely to occur more than 25%, and up to 50% of the time) and the impact is 3, critical, (service provision - service suspended short term) – then the risk rating will be 12 (4x3) which is amber.

Defining the Likelihood of Risk

| Classification | Definition |
|-----------------------|--|
| 6 - Very High | Occurs or likely to occur more than 90% of the time |
| 5 - High | Occurs or likely to occur more than 50%, and up to 90% of the time |
| 4 - Significant | Occurs or likely to occur more than 25%, and up to 50% of the time |
| 3 - Possible | Occurs or likely to occur more than 5% and up to 25% of the time |
| 2 - Low | Occurs or likely to occur more than 1% and up to 5% of the time |
| 1 - Almost Impossible | Occurs or likely to occur up to 1% of the time |

Defining the Impact of Risk (Service Level)

| Categories | 1 Marginal | 2 Significant | 3 Critical | 4 Catastrophic |
|-------------------------------|---|--|--|--|
| Financial Impact - FI | Up to 15% gross budget or turnover | Over 15% and up to 50% of gross budget or turnover | Over 50% and up to 75% of gross budget or turnover | Over 75% of gross budget or turnover |
| Service Provision - SP | Reduced service | Significant reduction | Service suspended short term | Service suspended long term / statutory duties not delivered |
| Health and Safety - HS | Broken bones / illness | Major illness / threat not life threatening | Loss of life / major illness | Major loss of life / large scale illness (pandemic) |
| Objectives - O | Objectives of one service area not met | Departmental objectives not met | Corporate objectives not met | Statutory objectives not met |
| Reputation - R | Adverse local media lead story short term | Adverse local media story long term. Adverse national publicity short term. | Adverse national publicity longer term | Remembered for years |

Risk Matrix

| Likelihood | |
|------------|---------------------|
| 6 | = Very High |
| 5 | = High |
| 4 | = Significant |
| 3 | = Possible |
| 2 | = Low |
| 1 | = Almost Impossible |

| | | | | | |
|------------|---|--------|----|----|----|
| Likelihood | 6 | 6 | 12 | 18 | 24 |
| | 5 | 5 | 10 | 15 | 20 |
| | 4 | 4 | 8 | 12 | 16 |
| | 3 | 3 | 6 | 9 | 12 |
| | 2 | 2 | 4 | 6 | 8 |
| | 1 | 1 | 2 | 3 | 4 |
| | | 1 | 2 | 3 | 4 |
| | | Impact | | | |

| Impact | |
|--------|----------------|
| 4 | = Catastrophic |
| 3 | = Critical |
| 2 | = Significant |
| 1 | = Marginal |

Reporting and escalating risks

All risks on individual service risk registers are reviewed at Departmental Managers Team (DMT) meetings with particular attention given to red or increasing amber risks.

Risks are also checked for any cross cutting implications. If the risk is high scoring and/or could have an impact across the organisation, then it must be rescored using the Defining the Impact of Risk (corporate level) criteria below, prior to inclusion on the Key Strategic Risk Register.

Defining the Impact of Risk (Corporate Level)

| Categories | 1 Marginal | 2 Significant | 3 Critical | 4 Catastrophic |
|-------------------------------|---|--|---|--|
| Financial Impact - FI | Up to £2.5m per annum or up to £10m one off | £2.5m up to £5m per annum or up to £20m one off | £5m up to £7.5m per annum or up to £30m one off | £7.5m up to £10m per annum or above £30m one off |
| Service Provision - SP | Reduced service | Significant reduction | Service suspended short term | Service suspended long term / statutory duties not delivered |
| Health and Safety - HS | Broken bones / illness | Major illness / threat not life threatening | Loss of life / major illness | Major loss of life / large scale illness (pandemic) |
| Objectives - O | Objectives of one service area not met | Departmental objectives not met | Corporate objectives not met | Statutory objectives not met |
| Reputation - R | Adverse local media lead story short term | Adverse local media story long term. Adverse national publicity short term. | Adverse national publicity longer term | Remembered for years |

Monitoring and Managing

During the year, new risks will arise that have not previously been considered and there may be changes to existing risks. Therefore the risk registers need to be regularly managed, with risk owners re-assessing their risks, re-scoring them if appropriate, and providing sufficient narrative in respect of the Control Measures they have in place (ie the actions which they are taking to mitigate against the risk). The reviews of risk registers should be managed by exception. The reporting cycle as detailed below, takes place during April, July, October and January.

| 1 st week | 2 nd week | 4 th week |
|--|---|--------------------------------|
| DMT – review operational service risks and propose KSRs as per the definitions of likelihood and impact for crosscutting risks | Corporate Risk Management Group (CRMG) – review service risks and proposed KSRs | CMT – identify and review KSRs |

All risks are reviewed according to the quarterly cycle shown above, with a particular focus upon red risks, and also upon amber risks which have increased their risk score since the previous quarterly review.

There are no rigid guidelines for dropping risks from the registers because clear parameters are not always possible. Removal of any risks from the registers must be approved by DMTs and then CRMG. A decision is sometimes taken to keep a low-scoring risk in view on the basis that its status might change over a short period, or so that those with an assurance role can be confident that mitigation against a risk can be sustained.

A flowchart showing how service, departmental, corporate and partnership risks are escalated and reported is shown on the final page of this Strategy.

Roles, Responsibilities and Governance

Councillors

Elected councillors are responsible for governing the delivery of services to the local community. Councillors have a responsibility to understand the key risks the council faces and will be made aware of how these risks are being managed through the annual business planning process. All Councillors will have a responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the plans and reports submitted to them.

Chief Executive and CMT

The Chief Executive and CMT are ultimately accountable in ensuring that risk management is fully embedded in the council's business planning and monitoring processes as well as having overall accountability and responsibility for leading the delivery of the council's Risk Management Strategy and Framework. CMT will take a leading role in the risk management process, ensuring that risk management is communicated, understood and implemented by Councillors, managers and staff. CMT will also play an important role in establishing a supportive culture.

CMT will submit an annual report on risk to the General Purposes Committee and Cabinet.

Directors

Each Director is accountable for proper monitoring of their departmental risk register, action plans and the embedding of risk management into the business planning process of their directorate. They will need to be actively involved in the risk management process within their department and CMT, including nominating an appropriate Risk Champion for their department. Directors are also accountable and responsible for leading the delivery of the council's Risk Management Framework in their respective Directorate.

Section 151 Officer / Internal Audit

The Section 151 officer and Internal Audit will be responsible for carrying out independent reviews of the risk management strategy and processes. They will provide assurance and give an independent and objective opinion to the council on the adequacy of its risk management strategy, control procedures and governance.

An annual Audit Plan, based on a reasonable evaluation of risk, will be carried out and an annual assurance statement will be provided to the council based upon work undertaken in the previous year. The section 151 officer will chair the CRMG group.

Risk Champions

Risk champions will work with their Director, Heads of Service, Managers and Team Leaders to ensure the RM Strategy and Framework is embedded in the Directorate and departmental planning, performance, project and partnership management, offering support and challenge. They will also represent their directorate at CRMG meetings.

Risk Champions will ensure that risks are identified, assessed and scored correctly by the Risk Owners, offering advice and guidance where appropriate. They will also challenge risk scores where they do not appear to be reasonable, or where they contradict the Control Measures narrative or the corporate Risk Scoring Guidance.

All Risk Champions will receive appropriate training to ensure that they can perform their role effectively. Training needs will be regularly evaluated.

Service Managers

Managers have a responsibility not only for the risks for which they are the risk owner, but are also accountable for those risks, within their service, which are owned / managed by others.

They are required to maintain an awareness of risk and ensure that any risks they identify are captured by the risk management process, understanding and responding to the key risks which could significantly impact on the achievement of their service and/or team objectives. Managers should encourage staff to be open about risk so that appropriate mitigation actions and control measures can be agreed.

Risk Owners

Risk owners are responsible for identifying and implementing appropriate actions which will mitigate against risks they own and reduce these risks to an level acceptable to the organisation. They are required to regularly review the effectiveness of their control measures and provide a formal update to DMTs and CRMG on a quarterly basis as part of the risk review cycle.

Individual Employees

Individual employees need to have an understanding of risks and consider risk management as part of their everyday activities, identifying risks deriving from their everyday work, processes and environment. Risks which could impact on service delivery, the achievement of objectives, or their own or others' wellbeing must be identified and actively managed, with mitigating actions in place where appropriate.

Business Planning team

The business planning team is responsible for ensuring that risk management is embedded throughout the council, as well facilitating and supporting the risk management process and supporting risk owners.

The team will ensure risk management documentation and intranet pages remain up to date and relevant, as well as updating the KSRR with emerging risks, new risks and updating existing risks.

In addition the Business Planning team will ensure risk is part of the annual service planning process, facilitate the CRMG meetings, and submit strategic updates and reports on risk management to CMT, Cabinet, Audit and Assurance Committee etc. as required.

Corporate Risk Management Group

The Corporate Risk Management Group will provide strategic direction and leadership to ensure our risk strategy is maintained and updated and that risks are appropriately identified and managed within the organisation. It will provide a forum for the detailed discussion and monitoring of organisational risks for the benefit of the council, its staff and the wider community.

CRMG will strive to ensure that the risk management framework is embedded within the council's overall strategic and operational policies, practices and processes in a consistent and standardised manner.

In addition it will provide assurance that all risk systems and processes are operating effectively to minimise the Council's overall exposure to risk. The headline departmental risks and planned mitigation activity reported by each department will be discussed by CRMG on a quarterly basis. CRMG will then report its conclusions and recommendations for discussion at CMT.

Cabinet

Cabinet will receive reports on the risk management strategy to determine whether corporate risks are being actively managed. They are responsible for agreeing the strategy on an annual basis, or when significant changes are made, and to report to full Council on the adequacy of the risk management framework.

General Purposes Committee

To provide an independent oversight of the adequacy of the risk management framework and the associated control environment. The committee will receive an annual review of internal controls and be satisfied it properly reflects the risk environment and any actions required to improve it. Reports will also be provided regarding the KSRR in order that the committee can determine whether strategic risks are being actively managed.

On an annual basis, the committee will review and recommend the adoption of the risk management strategy to cabinet, or if significant changes are identified, to request a revision.

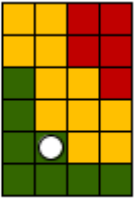




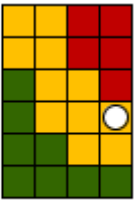




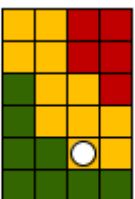

Risk management in committee reports

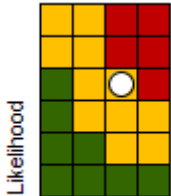


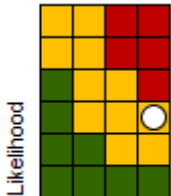

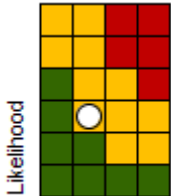

When a report is submitted to a committee the author is required to complete a section on Risk Management and Health and Safety Implications. The committee should be informed of any significant risks involved in taking a recommended course of action, or if it decides not to follow the recommended course of action. The risk assessment should follow the corporate risk management procedures and be scored using the risk matrix. The report should also give details of any control measures (either proposed or existing) to manage any significant risks identified. Where appropriate, reference should be made to any existing risk(s).




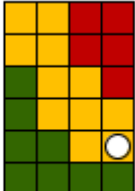




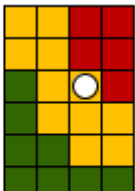



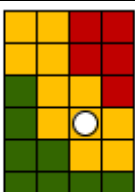




Report authors are advised to consult with the Business Planning team or their departmental Risk Champion, for further advice and to propose any risks to be considered for inclusion in the departmental or KSRR.

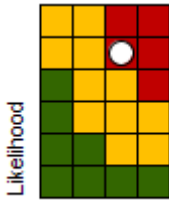




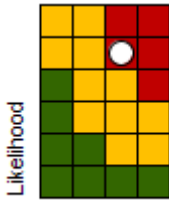




Attached are Merton Council's Key Strategic Risks and Issues Registers as at December 2015.

Risk Register ~ Key Strategic Risks ~ December 2015

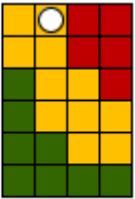




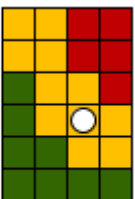




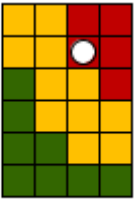




| Risk Owner | Code & Name | Risk or Issue | Cause | Consequences | Matrix | Current Score & Review History | Impact code | Control Measures in place | Date of comments |
|----------------------------|--|--------------------|---|---|---|---|-------------|---|------------------|
| Sophie Ellis | BI18 / KSR68 Inability to deliver TOM's across the organisation | Key Strategic Risk | Inadequate delivery planning for TOM's across the organisation. Unanticipated changes in delivery context including additional financial reductions. | Ambition set out in TOM is not achieved. |  | <div>4  14-Dec-2015</div> <div>4  17-Sep-2015</div> <div>6  24-Jun-2015</div> <div>6  26-Mar-2015</div> | O | 1. Delivery planning coordinated through Prog Office and M2015. Likelihood reduced as delivery arrangements now embedded. 2. Business Partners leading on departmental delivery assurance. 3. Savings proposals for 17/9 to articulate TOM impact. | 26 Mar 2015 |
| Page 84 Vivette Stanley | CSF01 / KSR35 Safeguarding children | Key Strategic Risk | Potential for less effective inter-agency working. Changing expectations & updated regulatory framework. Ongoing budget pressures across all agencies could undermine Merton Model. | Child protection & safeguarding issues including possible child death or serious harm. Possible increase for high cost interventions. |  | <div>12  21-Dec-2015</div> <div>12  08-Oct-2015</div> <div>12  06-Jul-2015</div> <div>12  10-Apr-2015</div> | R | LSCB Business Plan & refreshed CYPP. Reconstituted CYP partnership board. Strengthened MSCB governance. | 14 Oct 2015 |
| Kris Witherington | CS17 / KSR74 Failure to consult in general | Key Strategic Risk | Failure to adequately consult over changes to Council services and policies, and/or the design and implementation of projects etc | Inadequate consultation carries the risk of increasingly robust scrutiny and challenge, including Judicial Reviews. |  | <div>6  21-Jan-2016</div> | R, FI | The standards expected for consultation are described in the Community Engagement Strategy ("Get Involved") which was agreed by the Merton Partnership in 2010 and refreshed in 2014. All Council consultations should be listed on the Council's online consultation database, having been approved by the Consultation and Community Engagement Team. Support for services is available including training around the need for consultation, design, and legal obligations. | 21 Jan 2016 |

| Risk Owner | Code & Name | Risk or Issue | Cause | Consequences | Matrix | Current Score & Review History | Impact code | Control Measures in place | Date of comments |
|---------------------------------|---|--------------------------|---|---|---|--|-----------------|---|------------------|
| Charles Baker; Cormac Stokes | ER112 / KSR73 NEW KSR - Waste disposal overarching risk (sub risks ER 113 to ER 117) | Key Strategic Risk | 1. Increase in waste disposal costs 2. Increase of waste to landfill 3. Construction work at Beddington Lane Sub-risks ER113 to ER117 provide additional detail to this overarching risk | 1. Increased costs for waste disposal 2. Operational difficulties 3. Performance may be affected (more landfill, less recycling and more missed bins) 4. Political fallout |  Likelihood Impact | 12  15-Dec-2015 12  06-Oct-2015 | Fi/Rep/P/ Op | The increase in disposal cost is being monitored closely and strategy being developed to address all areas of known risk. Waste profiling will need to be revisited following preferred bidder of the Phase C procurement (Q3 2016). The preferred solution will have a direct impact on the level of commercial and domestic waste requiring disposal through our Phase A & B contracts with Viridor. | 18 Dec 2015 |
| Paul McGarry; James McGinlay | ER118 NEW KSR Impact of Crossrail 2 | Key Strategic Risk | Impact on councils income, commercial activity in Wimbledon Town centre and Weir Road | 1. Financial impact on council and services 2. Economic impact on Wimbledon Town Centre and the borough (potential loss of businesses and jobs) 3. Council reputation |  Likelihood Impact | 12  08-Jan-2016 | F | Addition of this risk onto the Key Strategic Risk Register agreed at CRMG on 13 January 2016 and approved by CMT on 26 Jan 2016. Awaiting consultation response. Working with Crossrail 2 at a senior level. Production and delivery of Wimbledon Town Centre masterplan | 27 Jan 2016 |
| Kim Brown | HR09 / KSR42 Single status | Key Strategic Risk | Post single status challenge | Cost of settlement; cost of litigation & resources to contest; impact on staff morale; reputational & political impact |  Likelihood Impact | 6  15-Dec-2015 | R | Discussions are currently being undertaken with the unions to finalise any outstanding allowances and mitigate any further risk. Risks are mitigated through COT3 signings with staff concerned. Some further work outstanding on allowances in C&H and E&R in particular. An equality impact assessment will also be conducted between September and December 2015 in order to manage risk further. The risk rating remains as before. | 26 Oct 2015 |

| Risk Owner | Code & Name | Risk or Issue | Cause | Consequences | Matrix | Current Score & Review History | Impact code | Control Measures in place | Date of comments |
|--|---|--------------------|--|--|--|---|-------------|---|------------------|
| | | | | | | <div>6  17-Sep-2015</div> <div>6  23-Jun-2015</div> <div>6  14-Apr-2015</div> | | | |
| Mark Humphries | IT03 /KSR48 IT Systems | Key Strategic Risk | Major disruption in the civic centre causing 6th floor data centre to become unusable | IT failure leading to unavailability of IT services impacting on organisational service delivery. | <div> <div>Likelihood</div>  <div>Impact</div> </div> | <div>8  08-Dec-2015</div> <div>8  17-Sep-2015</div> <div>8  17-Jun-2015</div> <div>8  23-Mar-2015</div> | SP | Testing of new IT Disaster Recovery arrangements were due to be tested in September but unfortunately this was delayed and has now been rescheduled for completion in March 2016. (Comment revised 04/12/15 and direction of travel adjusted due to the delayed testing) | 08 Dec 2015 |
| <div>Page 86</div> <div>Caroline Holland</div> | MPF11 / KSR72 Failure to procure replacement investment managers in good time and so not improving Fund performance | Key Strategic Risk | Failure to procure replacement investment managers within appropriate timescales resulting in failure to improve performance of investments. | Investment performance does not improve, investment performance falls, fund may fail to meet its investment and funding objectives in the short and medium term. | <div> <div>Likelihood</div>  <div>Impact</div> </div> | <div>12  11-Dec-2015</div> <div>12  02-Oct-2015</div> <div>16  24-Jul-2015</div> | FI, R | Corporate Services DMT agreed on 23-09-15 that there should be an over-arching Pensions risk on the Key Strategic Risk Register centred upon the failure to procure. The wording of the risk is being reviewed by the Interim Treasury and Insurance Manager. The scoring of this risk has also been re-assessed. Existing control measures: Engage manager with complementing strategies. Passive investments. | 22 Oct 2015 |
| Paul Dale; Caroline Holland | RE02 / KSR49 Developing corporate Business Plan & setting a balanced budget for 16/20 & beyond | Key Strategic Risk | Reduced budgets may impact negatively on service delivery levels | Impact on service provision, reputation, staff morale & internal & external customers satisfaction | <div> <div>Likelihood</div>  <div>Impact</div> </div> | <div>9  14-Dec-2015</div> <div>9  21-Sep-2015</div> <div>9  19-Jun-2015</div> <div>9  07-Apr-2015</div> | FI | Risk has been updated to reflect Business Planning Period 16-20, and a timetable is in place. | 21 Sep 2015 |

| Risk Owner | Code & Name | Risk or Issue | Cause | Consequences | Matrix | Current Score & Review History | Impact code | Control Measures in place | Date of comments |
|------------------|--|--------------------|--|---|--|--|-------------|--|------------------|
| Simon Williams | RE03 / KSR21 Failure to adhere to Public Contract Regulations 2006 and Contract Standing Orders | Key Strategic Risk | Lack of awareness in some areas that procurement is a tightly regulated area of council activity. | Impact on strategy and time for procurement exercises. Adverse budget and service implications if not carried out correctly in accordance with regulations and standing orders such as legal challenges and slower identification, capture and delivery of savings. |  | 15  14-Dec-2015 | R | New EU Procurement Regulations came into force in February 2015 and while these affect social care areas primarily, there are implications for all Council procurement. Training and guidance for all officers engaged in procurement has already begun. Comprehensive departmental procurement plans are in place and reviewed regularly by Procurement Board. The risk rating has increased as there were delays in providing a substantial proportion of exemption reports in Community & Housing. However C&H is finalising the development of a commissioning plan, which includes a strategy for processing and prioritising these exemptions. This will be reviewed by the project's board and the Procurement Board. | 15 Dec 2015 |
| | | | | | | 15  21-Sep-2015 | | | |
| | | | | | | 15  01-Jul-2015 | | | |
| | | | | | | 12  19-Jun-2015 | | | |
| Caroline Holland | RE16 / KSR61 Failure to deliver 2014-18 Savings Programme | Key Strategic Risk | Savings of £19m have been agreed for the period 2014/15 to 2018/19, the period of budget decisions required by this council. There is a budget gap of £21m after this. | Non achievement of any significant saving would adversely impact on the authorities ability to balance its budget in the medium to long term if larger than the contingency. |  | 15  14-Dec-2015 | F | A significant part of the 2014/15 programmed savings were not achieved which had a very detrimental effect upon the savings for the forthcoming year. It is imperative that future years' savings are delivered, and that monitoring is put in place to ensure this. Greater emphasis needs to be placed upon the delivery and monitoring of savings for 2014/15 and 2015/16 as part of the monthly monitoring report. | 03 Jul 2015 |
| | | | | | | 15  21-Sep-2015 | | | |
| | | | | | | 15  01-Jul-2015 | | | |
| | | | | | | 10  19-Jun-2015 | | | |

Issues Register ~ Key Strategic Issues ~ December 2015

| Risk Owner | Code & Name | Risk or Issue | Cause | Consequences | Matrix | Current Score & Review History | Impact code | Control Measures in place | Date of comments |
|--|---|---------------------|---|--|---|--|-------------|--|------------------|
| Yvette Stanley | CSF04 / KSR55 Changing Borough Demographics | Key Strategic Issue | Increases in both the total population in the borough, including in particular families with young children, & also in the mix of the population with respect to ethnicity, disability & deprivation. | Additional demand for services for children with special educational needs & disabilities, as well as pressure for growth in children's social care & child protection interventions including support for families with no recourse to public funds. |  Likelihood Impact | 12  21-Dec-2015 | O | CSF Service Plans identify current control measures, these include reviewing eligibility criteria and consistently managing demand. Specifically to address this there is SENDIS Improvement plan in place which is regularly reviewed with clear actions set out. | 14 Oct 2015 |
| | | | | | | 12  08-Oct-2015 | | | |
| | | | | | | 12  06-Jul-2015 | | | |
| | | | | | | 12  30-Mar-2015 | | | |
| Page 88 Paul Ballatt; Yvette Stanley | CSF05 / KSR34 School places | Key Strategic Issue | Although primary numbers are now expected to plateau, the increase in birth-rate & numbers of children reaching secondary puts continued pressure on special school places. | Lack of land availability for secondary expansion prevents LA delivering in the major growth years, resulting in insufficient capacity to meet demand. |  Likelihood Impact | 9  21-Dec-2015 | R | CSP Service Plan and recent council paper outlines recommendations to address this. Secondary and special school places strategy in place - working with EFA. | 26 Oct 2015 |
| | | | | | | 9  08-Oct-2015 | | | |
| | | | | | | 9  06-Jul-2015 | | | |
| | | | | | | 9  30-Mar-2015 | | | |
| Children, Schools & Families | CSF06 / KSR56 CS&F funding changes, budget savings & resource management | Key Strategic Issue | Continued uncertainty regarding changes to funding regimes & external grants, & concurrent additional statutory duties & demographic pressures. Changes to national funding formula for DSG expected from 2016/17 onwards, & the impact of any maintained schools becoming academies. Funding associated with C&F Act, & detailed requirements for CYP with SEND remain uncertain, as do youth justice and adoption changes. Demand on "no recourse to public | Impact on ability to provide statutory services, possibility of undermining the Merton Model, causing additional spend pressures in targeted services. Low staff morale, difficulties in managing the impact of the Workforce Management Strategy. Time & effort required to manage change & meet expectations of members & central government may lead to failures in the management of ongoing operational work. |  Likelihood Impact | 15  21-Dec-2015 | FI | Monitor Government proposals, consultation response & implications fed into budget & MTFS. Budget savings identified & analysed for impact including equality assessments, TOM & Service Planning work. All CSF Divisional Service Plans, School Improvement Strategy, NRTPF Working Group Strategy Plan, and Children and Family Act Implementation Plan. Likelihood - still waiting on national changes being announced. NRTPF demand management plan in place. TOMS and MTFS savings all progressing. | 14 Oct 2015 |
| | | | | | | 15  08-Oct-2015 | | | |
| | | | | | | 15  06-Jul-2015 | | | |
| | | | | | | 15  30-Mar-2015 | | | |

| Risk Owner | Code & Name | Risk or Issue | Cause | Consequences | Matrix | Current Score & Review History | Impact code | Control Measures in place | Date of comments |
|-----------------------------------|--|---------------------|--|--|--------|--------------------------------|-------------|---|------------------|
| | | | funds" cases is increasing. Requirement to make significant savings over the next 3-4 years. Need to balance competing & increasing demands at a time of contracting resources & extensive change. | | | | | | |
| Paul Ballatt | CSF09 / KSR62 Recommissioning Early Intervention and Prevention (Partnership) | Key Strategic Issue | Likely reduction in contracting with local third sector leads to reputational & political risk. | Destabilisation of the Local Strategic Partnership & Children's Trust Board partnership arrangements. | | 10 21-Dec-2015 | R | CSP Service Plan highlights area of high risk and continuation of commissioned services. | 08 Oct 2015 |
| | | | | | | 10 08-Oct-2015 | | | |
| | | | | | | 10 06-Jul-2015 | | | |
| | | | | | | 10 30-Mar-2015 | | | |
| Kim Brown | HR13 / KSR44 Change to staff terms & conditions | Key Strategic Issue | Impact of review of T&Cs & ongoing staffing reductions | Impact on staff morale, recruitment & sickness - this will also lead to more financial implications. | | 8 15-Dec-2015 | SP | T & C's To be reviewed as part of the new workforce strategy and options to be considered in line with the TOM refresh. Support for staff and services going through change is available as part of the ongoing learning and development offer. | 15 Dec 2015 |
| | | | | | | 8 17-Sep-2015 | | | |
| | | | | | | 8 23-Jun-2015 | | | |
| | | | | | | 8 23-Mar-2015 | | | |
| Yvette Stanley; Evereth Willis | RE11 / KSR53 Failure to comply with equalities duties | Key Strategic Issue | Failure to evidence how equalities implications have been considered in developing new policy, designing services & decision making | Reputational impact for council, risk of judicial review & litigation, negative impact on service users and loss of savings. | | 9 14-Dec-2015 | O/R/FI/SP | Equality Analysis has been incorporated into the budget process and the equalities impact assessment of savings proposals are systematically undertaken. | 21 Sep 2015 |
| | | | | | | 9 21-Sep-2015 | | | |
| | | | | | | 9 01-Jul-2015 | | | |
| | | | | | | 9 19-Jun-2015 | | | |

Section D

Performance Management Framework

D. PERFORMANCE MANAGEMENT FRAMEWORK

Introduction

Merton launched its Performance Management Framework in 2004. Whilst the main principles of performance management remain the same, the framework undergoes annual review and updating when required, to ensure that it remains up to date and reflects changes within the organisation and outside.

We are committed to delivering customer-focused services. To achieve this, it is essential that we measure our performance, both against our own intentions, and the performance of others, and that we use that information to improve local services.

Performance management enables us to ensure that we are constantly meeting our goals, whilst simultaneously allowing us to identify best practice and address areas of concern. It provides the framework for consistently planning and managing improvements to our services to ensure continuous improvement in line with Lean principles. Sustainable improvements in services are unlikely to happen without this framework.

Everyone in the organisation has a part to play in monitoring our services and achieving our ambition.

Why measure performance?

- It highlights areas where we are doing well, and areas which need improving;
- It enables our managers to monitor performance, manage effectively, and plan for the future of the service;
- Performance data assists the decisions makers within the council and helps to inform their decisions;
- Timely and accurate performance data allows for early identification of problems and enables us to put actions in place to address / rectify the situation;
- It assists improvement by telling us where we are now and ensuring that we are doing the right things for the right reasons;
- Performance Management provides the evidence required for change and improvement, and lastly;
- What gets measured is more likely to be actioned

Why do we need a Performance Management Framework?

Central Government introduced the Single Data List in April 2011. This reduced the burden of performance monitoring and audit and inspection by central government, placing greater responsibility for this on local government. As a result, it becomes even more important that we manage and monitor our performance. We must ensure that our Performance Measures are robust, challenging and realistic, enabling us to achieve and deliver our priorities.

What is our Performance Management Framework?

Our Performance Management Framework has been created to clarify the overall approach the council takes to managing performance. The Framework should also be considered alongside the council's Risk Management and Data Quality Strategies.

Our framework will help us all to understand:

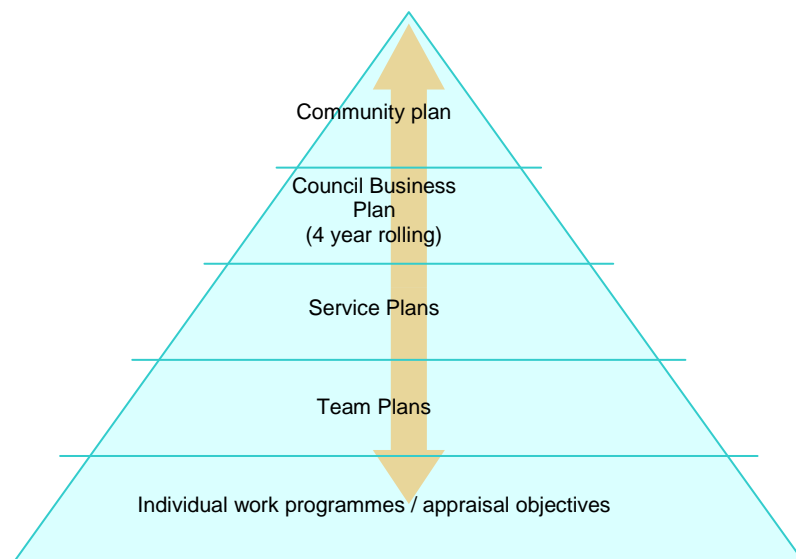
- what we are trying to achieve as an organisation
- how we are going to achieve this
- how we will monitor and report progress
- how the contribution of staff, managers, teams and departments relate to each other to help deliver the targets set for the whole organisation

The framework has three parts

1. The planning framework
2. The planning, monitoring and review cycle
3. Taking responsibility for results

The planning framework - how the plans fit together, the 'Golden Thread'

The performance management framework is represented by the performance triangle



The key aspects of the Golden Thread are:

- [The Community Plan](#) has been developed by the Merton Partnership and sets the overall direction and vision for the borough until 2019.
- [Business Plan](#) sets out the council's priorities for improvement over the next four years. The plan is reviewed every year to ensure that it always reflects the most important improvement priorities.
- [Service Plans](#) are reviewed every year to ensure they outline the key issues and priorities for the department.
- [Medium Term Financial Strategy](#) (MTFS) outlines how much money we expect to receive over the next four years and in broad terms what we expect to be spending this on.
- [Workforce Development Plan](#) is focused on making the best use of the skills of staff to deliver the services residents demand and deserve
- [Individual Appraisals](#) take place twice a year and are used to agree individual work programmes and targets.

The planning, monitoring and review cycle - what happens, when and how?

The planning, monitoring and review cycle shows how we continuously review and revise our performance in order to improve our services.



The cycle has four phases and takes place on an annual basis as part of the development of the next four year rolling Business Plan and agreement of the next year's budget.

Planning - Where are we now and where do we want to be?

Where we are now is provided by our results against our performance indicators detailed in our service plans, the results of satisfaction surveys such as the Annual Residents Survey (ARS), and other inspection results. Our corporate ambitions and objectives describing where we want to be are laid out in the Community Plan and the Business Plan, and are reflected at a more local level in service plans, and targets in annual appraisals.

Doing - How do we get there?

To get to where we want to be, we need to maximise our capacity to deliver the actions laid out in the various plans, and use our performance management and appraisals systems to ensure that we remain on course.

Reviewing - How are we doing and are we there yet?

By monitoring and managing performance, consulting with our partners and service users, and benchmarking against other providers, we can assess our progress towards achieving our ambitions and learn from the good practice of others.

Revising - What do we do next?

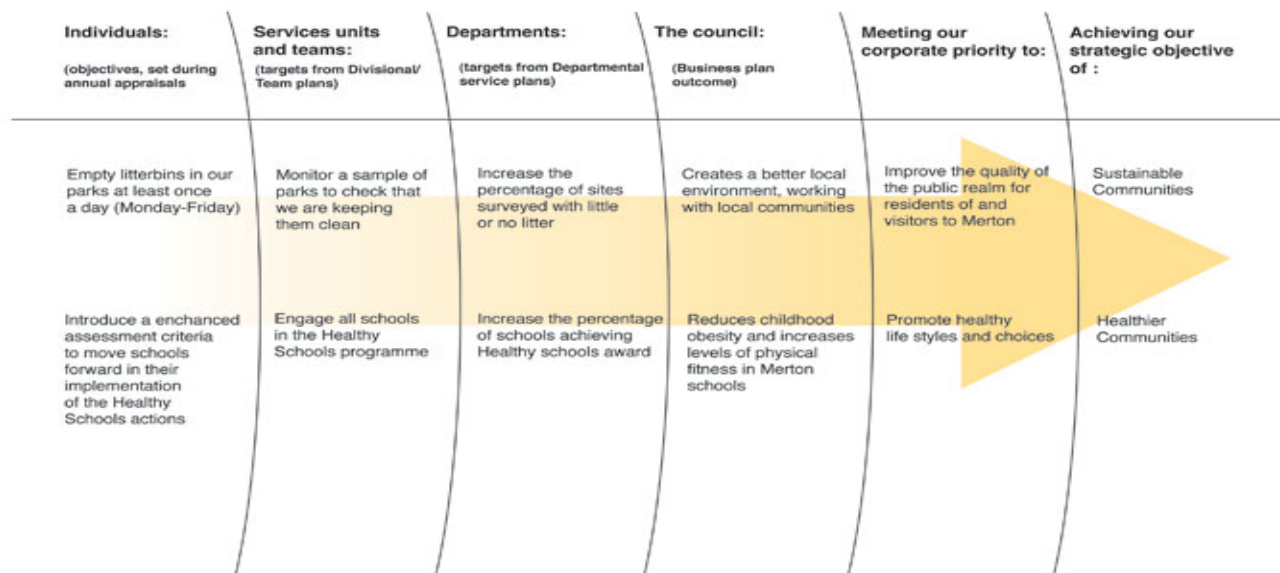
It is important that our services evolve to meet the needs of our residents. Having reviewed our performance we may find that we need to change what we are doing, or that we need to revise our ambitions and objectives so that we can continuously improve as an organisation.

To maximise the cycle's effectiveness we have an agreed timetable for the process which takes into account both performance and financial considerations. This timetable enables Councillors to agree priorities and allocate resources based on community views and needs, and accurate performance information. These priorities are translated into planned outcomes and performance targets to make sure that the right things get done.

Taking responsibility for results – how we go about doing it

Everyone has a responsibility to contribute towards improving Merton, working within and using the performance management framework. This ensures that measurable activities at individual, team and service levels translate into outcomes.

It is the responsibility of the owner of each performance measure to ensure that details of the measure are clearly defined. They must also ensure that adequate collection, recording and validation processes are in place to enable effective monitoring and reporting in line with the council's Data Quality Strategy.



Performance Management Systems and Collection Arrangements

Since June 2013, performance against service plan measures has been captured and reported via our Performance Management System (Covalent).

On the first day of each month departmental performance leads are notified that performance data must be uploaded onto the system by a specified deadline.

Performance Monitoring reports are presented to CMT on the fourth Tuesday of every month, Cabinet receives quarterly reports and Full Council an annual report. In addition, a monthly performance dashboard is published on both the internet and intranet giving staff, Members, residents and the public access to up to date performance data detailing how the council is performing against its targets.

Roles and responsibilities

The roles and responsibilities are outlined below:

| | |
|--------------------|---|
| Individuals | All staff have a responsibility to deliver the tasks / actions which have been agreed in their appraisal, and to understand how their work contributes to team, departmental and council goals. |
| Managers | All managers have responsibility for supporting their staff through the appraisal process and reporting on progress. They must also show commitment |

| | |
|--|--|
| | and accountability by leading through example. Managers should ensure that their team have regular meetings to share information, review progress of their divisional and team plans, develop ideas, identify areas for the next plan and agree the way forward on a variety of team and work issues. Managers should use these meetings to raise issues around corporate priorities, tell staff about developments within the department and the council, and to cascade information about performance to staff. |
| Heads of service | Heads of service report to Directors and are responsible for overseeing the performance of service units within their remit. They take a key role in the development and monitoring of their service plan at their DMT. They may also take on or contribute to wider corporate projects. |
| Departmental Management Teams (DMT's) | DMT's monitor their department's performance information and are responsible for taking action to deal with under-performance. DMT's make sure that every manager in the department knows and understands the planning cycle and performance management framework |
| Directors | Each Director is responsible for the performance of their department. They must make sure that appropriate reporting arrangements are in place with their DMT's to enable them to monitor performance. Directors demonstrate commitment to the performance management framework by leading its implementation within their department. They make sure their service plans are monitored at least every two months and regularly provide progress reports to the Chief Executive and appropriate Cabinet portfolio holder(s). Directors also have collective responsibility for corporate improvement as members of Corporate Management Team (CMT) |
| Corporate Management Team (CMT) | CMT is made up of the Chief Executive and Directors of the four departments. Its role is to focus on the 'big issues' facing the council and develop the organisation's strategic approach and service delivery. CMT reviews performance monthly and it can ask DMT's to review areas of concern and agree management action to address under-performance. |
| Cabinet and Elected Members | Ultimately, councillors are responsible for setting the direction of the Council and developing priorities. They do this by developing policy, setting strategic targets, monitoring progress, and agreeing the framework for continuous improvement. |
| Full Council | Members receive regular reports on progress against the strategic themes, including any relevant performance information and can use these meetings as an opportunity to ask Cabinet members questions about performance issues. |
| Overview and Scrutiny | Overview and Scrutiny panels have regular performance monitoring task groups to examine performance data, detect trends and identify key areas of concern. They are responsible for challenging Cabinet to ensure that they are fulfilling their responsibilities. If they have areas of concern then they can ask Cabinet members and officers to attend meetings to answer questions. If they have wider concerns about the performance of a service area then they could carry out a scrutiny review into a particular area. |

Help and advice

If you require any guidance or advice with regards to Performance Management or have any queries please contact a member of the [Business Planning team](#).

Corporate Indicator Set

The Corporate Indicator set is a set of key measures from each of the four departments, which are monitored on a monthly basis by the Corporate Management Team (CMT). The corporate set for 2016/17 is shown in the table below. Included in the table are the 2015/16 and 2016/17 performance targets.

Indicators shaded grey represent new additions to the corporate set.

Corporate Indicator Set for 2016/17 – Monthly

| Dept. | PI Code & Description | Polarity | 2015/16 target | 2016/17 target |
|---|---|----------|----------------|----------------|
| Children, Schools & Families | CRP 069 / SP 078 % outcome of Ofsted Inspection schools rated Good or Outstanding | High | 86% | 86% |
| Children, Schools & Families | CRP 64SP075MP030 % of children who become subject of a Child Protection Plan for a second or subsequent time | Low | 13% | 16% |
| Children, Schools & Families | CRP 65SP095MP012 Number of special guardianship orders and adoptions finalised during the year ending 31 March | High | 13 | 13 |
| Children, Schools & Families | CRP 72SP319MP034 % 16-19 year olds Not in Education, Employment or Training (NEET) | Low | 5 | 4.7 |
| Children, Schools & Families | (Code TBC) % Looked After Children (2.5 years or more) in same placement for 2 years | Low | n/a | 66 |
| Community & Housing; Adult Social Care | CRP 054 / SP039 % People with 'long term' services receiving Self-Directed Support (SDS) | High | 95% | 95% |
| Community & Housing; Adult Social Care | CRP 055 / SP275 The rate of delayed transfers from care from hospital (both Merton & NHS responsible) | Low | 5 | 5 |
| Community & Housing; Adult Social Care | CRP 056SP054MP21 No. of Carers receiving services and / or information and advice | High | 930 | 996 |
| Community & Housing; Adult Social Care | CRP 057 / SP274 % people receiving 'long term' community services | High | 71% | 72% |
| Community & Housing; Housing Needs & Enabling | CRP 062 / SP 035 Number of homelessness preventions | High | 550 | 450 |
| Community & Housing; Housing Needs & Enabling | CRP 61SP036MP045 Number of households in temporary accommodation | Low | 130 | 225 |
| Community & Housing; Libraries | CRP 059 / SP 008 No. of people accessing the library by borrowing an item or using a peoples network terminal at least once in the previous 12 months | High | 55,000 | 56,000 |
| Community & Housing; Libraries | CRP 060 / SP 009 No. of visitors accessing the library service on line | High | 170,000 | 200,000 |
| Corporate Services | CRP 013 % of positive and neutral coverage tone | High | 92% | 92% |

| Dept. | PI Code & Description | Polarity | 2015/16 target | 2016/17 target |
|--|--|----------|----------------|----------------|
| Corporate Services | CRP 014 % of ombudsman complaints answered in time (monthly in arrears) | High | 90% | 90% |
| Corporate Services | CRP 018 % Council Tax collected | High | 97.25% | 97.25% |
| Corporate Services | CRP 036 / SP 155 % of Business Rates collected | High | 97.5% | 97.5% |
| Corporate Services | CRP 041 / SP 192 % FOI requests dealt with in time (Monthly in arrears) | High | 90% | 90% |
| Corporate Services | CRP 080 / SP 413 Number of working days per FTE lost to sickness absence excluding schools | Low | 8 | 8 |
| Corporate Services | SP 410 / CRP TBC % of on-line transactions (HB Claims) | High | 60% | 60% |
| Corporate Services | SP 411 / CRP TBC Time taken to process new Housing Benefit claims | Low | 21 | 21 |
| Corporate Services | SP 412 / CRP TBC Time taken to process Housing Benefit change of circumstances | Low | 11 | 11 |
| Corporate Services | (Code TBC) % of customers satisfied with our <i>(new)</i> website | High | n/a | TBC |
| Environment & Regeneration: Parking Services | CRP 044 Parking services estimated revenue | High | £15.4m | TBC |
| Environment & Regeneration; Development & Building Control | CRP 051 / SP 114 % Major applications processed within 13 weeks | High | 55% | 55% |
| Environment & Regeneration; Development & Building Control | CRP 052 / SP 115 % of minor planning applications determined within 8 weeks | High | 60% | 60% |
| Environment & Regeneration; Development & Building Control | CRP 053 / SP 116 % of 'other' planning applications determined within 8 weeks (Development Control) | High | 81% | 82% |
| Environment & Regeneration; Development & Building Control | CRP 045 / SP 118 Income (Development and Building Control) | High | £2.05m | £2.1m |
| Environment & Regeneration; Street Cleaning | CRP 048 % of sites surveyed on local street inspections for litter that are below standard | Low | 9.5 | 9 |
| Environment & Regeneration; Street Cleaning; | CRP 049 / SP 059 Number of fly tips reported in streets and parks | Low | 3,700 | 3,600 |
| Environment & Regeneration; Waste | CRP 047 / SP 068 Number of refuse collections including recycling and kitchen waste missed per 100,000 | Low | 55 | 50 |

Corporate Indicator Set for 2016/17 – Quarterly

| Dept. | PI Code & Description | Polarity | 2015/16 target | 2016/17 target |
|------------------------------|---|----------|----------------|----------------|
| Community & Housing | CRP 063 / SP 242 Number of enrolments funded by SFA on non-accredited courses | High | 4,000 | TBC |
| Children, Schools & Families | CRP 066 / SP 290 % Looked After Children in external foster care placements | Low | 46% | 42% |
| Children, Schools & Families | CRP 068 / SP 084 % of Good or outstanding Ofsted inspections in children's centres | High | 100% | 100% |
| Children, Schools & Families | CRP 077 / SP 374 Number of in-house foster carers recruited | High | 20 | 15 |
| Children, Schools & Families | SP 404 / CRP tbc % of new EHCP requests completed within 20 weeks | High | 85% | 85% |
| Corporate Services | (Code TBC) % of FOI refusal notices which are not upheld at review stage | Low | n/a | TBC |
| Corporate Services | (Code TBC) % of Ombudsman complaints partially or fully upheld | Low | n/a | TBC |
| Corporate Services | CRP 016 / SP 401 The level of CO2 emissions from Corporate buildings including (from 2016) Leisure Centres (tonnes) | Low | 3,900 | 8,045 |
| Corporate Services | CRP 037 % complaints progressed to stage 2 | Low | 9% | 9% |
| Corporate Services | CRP 074 Number of staff working from Civic Centre | High | 1,400 | 1,400 |

Corporate Indicator Set for 2016/17 – Annual

| Dept. | PI Code & Description | Polarity | 2015/16 target | 2016/17 target |
|------------------------------|--|----------|----------------|----------------|
| Community & Housing | CRP 078 / SP 335 % Retention rate MAE | High | 88% | TBC |
| Community & Housing | CRP 079 / SP 334 % Achievement rate MAE | High | 96% | TBC |
| Children, Schools & Families | CRP 073 / SP 109 % vacancies in reception year of primary school | Low | 5% | 5.5% |
| Children, Schools & Families | CRP 075 / SP 077 5 GCSE A-C including English and maths | High | 64% | 61% |
| Children, Schools & Families | SP 288 (CRP Code TBC) Secondary School Year 7 surplus places inc Academies | Low | 5% | 5% |

Section E

Service Planning

E) SERVICE PLANNING

Currently being updated update to be provided 5pm 29/1/16

E. SERVICE PLANNING 2016/20

Our 27 Service Plans, agreed by service departments during the 2016/20 Business Planning process, are set out in the following pages.

During this process Service Plans were considered by Cabinet on 7 December 2015 and 18 January 2016. The proposed Final Service Plans were approved by Cabinet on 15 February 2016, and will be considered and agreed by Council on 2 March 2016.

Second Draft Service Plans, which were incorporated into the Consultation Pack, were scrutinised by the Overview and Scrutiny Commission and Panels during the January 2016 cycle of meetings.

The service plan is designed to be a two page document. The first page summarises key resources, drivers, performance and budgets and the second page focusses on the outcomes and benefits of major projects.

Departmental managers were issued with guidance to clarify their understanding of the process and to ensure quality and consistency of submitted plans, and each department reviewed the appropriateness of their service plans during the process. An overview of this guidance is provided below:

Front Page

- Service description: Concise description of the service's key activities and how they might change over the next four years.
- Anticipated demand: Details of the demands on the service.
- Anticipated non-financial resources: Details of the key resources used to deliver the service.
- Corporate strategies: The key strategies the service contributes to.
- Performance indicators: The key monthly, quarterly, or annual performance indicators for the service, including their targets.
- Budget Information: Full details of previous, current and future years' budget, including future anticipated budgetary changes.

Back page

- Details of major projects and or procurement being undertaken during 2016/20, including:
 - Project timeframe
 - Project description
 - Major expected benefits of the project (consistent with the benefit categories used by the Merton Improvement Board.)
 - Risk assessment relating to the project's completion.

The following pages display our Service Plans for 2016/20 in departmental order.

| Children, Schools and Families | Community and Housing | Corporate Services | Environment and Regeneration |
|---------------------------------------|------------------------------|-------------------------------|-------------------------------------|
| Children's Social Care | Adult Social Care | Business Improvement | Commercial Services (Waste) |
| Commissioning, Strategy & Performance | Housing Needs & Enabling | Corporate Governance | Development & Building Control |
| Education | Libraries | Customer Services | Future Merton |
| | Public Health | Human Resources | Leisure & Culture Development |
| | | Infrastructure & Transactions | Parking |
| | | Resources | Parks & Green Spaces |
| | | Shared Legal Services | Property |
| | | | Regulatory Service Partnership |
| | | | Safer Merton |
| | | | Street Cleaning |
| | | | Traffic & Highways |
| | | | Transport |
| | | | Waste Management |

Children Schools & Families

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|---------|------------------|---|--|---------------------------------------|--|--|------------|--------|-------|
| Children's Social Care | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECT BENEFITS | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: | Deliver transforming families year 2 & year 3 programme (CYPWB & TOM) | | Improved efficiency (savings) | | | 2 | 3 | 6 |
| Start date | 2013-14 | Project Details: | | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 2 | | Project Title: | MOSAIC (CYPWB & TOM) | | Improved effectiveness | | | 3 | 3 | 9 |
| Start date | 2013-14 | Project Details: | | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 3 | | Project Title: | Preparation for new inspection regime | | Improved effectiveness | | | 4 | 3 | 12 |
| Start date | 2013-14 | Project Details: | | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 4 | | Project Title: | Youth Justice | | Improved efficiency (savings) | | | 3 | 2 | 6 |
| Start date | 2014-15 | Project Details: | | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 5 | | Project Title: | CSC & CYPWB/TOM | | Improved effectiveness | | | 4 | 3 | 12 |
| Start date | 2013-14 | Project Details: | | | | | | | | |
| End date | 2019-20 | | | | | | | | | |
| Project 6 | | Project Title: | CYPWB Model Workforce Strands | | Improved staff skills and development | | | 4 | 3 | 12 |
| Start date | 2015-16 | Project Details: | | | | | | | | |
| End date | 2019-20 | | | | | | | | | |

| Commissioning, Strategy and Performance | | | | | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | |
|---|--|---|------------|------------|---|------------|---|-----------------|----------------|----------------------------------|------------------------------|--|----------------------------------|------------------------|
| Cllrs Maxi Martin & Martin Whelton, Cabinet Members for Childrens Services & Education | | | | | Anticipated demand | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| <p>Enter a brief description of your main activities and objectives below</p> <p>The Commissioning, Strategy & Performance Division provides strategic services for the Children, Schools & Families Department (CSF):</p> <ul style="list-style-type: none">· policy, planning & performance management;· commissioning, procurement & contract management;· access to resources for looked after children/pupils with SEN;· pupil place planning;· school admissions;· school expansion & overall CSF capital programme management;· some departmental business support. <p>Main activities include:</p> <ul style="list-style-type: none">i) leading on strategic & operational planning for CSF;ii) leading on local Children's Trust & partnership development;iii) production of management information for internal performance management & external reporting Inc. Statutory returns;iv) production of policy documents & procedural guidance for professional staff;v) commissioning operational services & leading on joint commissioning with partners;vi) managing schools' Private Finance Initiative contract & other service contracts;vii) procuring placements for looked after children/pupils with SEN;viii) planning sufficient school places;ix) co-ordination of pupil admissions to Merton schools;x) project managing school expansions & other capital schemes. | | | | | Increased demand for primary school (total across all schools) | | 2fe | 1fe | | | | | Capital Programme | |
| | | | | | Increased demand for secondary school (total across all schools) | | | | 1-3fe | 4-6fe (cumulative) | 10-14fe (cumulative) | | Children & Young person's Plan | |
| | | | | | Increased demand for special school places (total across all schools) | | | | | | 100 more SEN places by 18-19 | | Community Plan | |
| | | | | | Overall demographic | | 3180 increase in 0-19 population by 2018-19 | | | | | | | Core Planning Strategy |
| | | | | | Anticipated non financial resources | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Corp Equality Scheme | |
| | | | | | Staff (FTE) | | 54 | 45 | 46 | 42 | 38 | | Corp Procurement Strategy | |
| | | | | | Contractors | | Commissioning of a range of services to support CSF functions | | | | | | Local Development Framework | |
| | | | | | | | | | | | | | Performance Management Framework | |
| | | | | | | | | | | | | | Social Inclusion Strategy | |
| | | | | | | | | | | | | | | |
| Performance indicator | | Performance Targets (T) & Provisional Performance Targets (P) | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met | | | | |
| | | 2014/15(T) | 2015/16(T) | 2016/17(T) | 2017/18(P) | 2018/19(P) | | | | | 2019/20(P) | | | |
| % reception year surplus places | | 2 | 5 | 5.5 | 6 | 8 | | Low | Annual | Business critical | parental choice | | | |
| % secondary school Yr7 surplus places Inc. Academies | | 8 | 5 | 5 | 5 | 5 | | Low | Annual | Business critical | parental choice | | | |
| % major capital projects green/amber to time | | 90 | 90 | 90 | 90 | 90 | | High | Quarterly | Business critical | Increased costs | | | |
| % spend on approved capital programme | | | 80 | 80 | 80 | 80 | | High | Quarterly | Business critical | Increased costs | | | |
| % fostered LAC in external agency foster care placements | | 36 | 46 | 42 | 42 | 40 | | High | Quarterly | Business critical | Increased costs | | | |
| Numbers of in-house foster carers recruited | | 20 | 20 | 15 | 15 | 15 | | High | Quarterly | Quality | Increased costs | | | |
| % completion rates for parenting programmes | | 80 | 80 | 70 | 70 | 70 | | High | Quarterly | Business critical | outcomes not improved | | | |
| % commissioned services quarterly monitoring completed | | 100 | 100 | 100 | 100 | 100 | | High | Quarterly | Business critical | reduced contract compliance | | | |
| % statutory returns to government on time | | 100 | 100 | 100 | 100 | 100 | | High | Quarterly | Business critical | Reputational risk | | | |

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 16,440 | 17,594 | 14,713 | 13,622 | 13,704 | 13,712 | 13,834 |
| Employees | 2,240 | 2,048 | 2,208 | 2,113 | 2,073 | 1,958 | 1,958 |
| Premises | 603 | 503 | 418 | 420 | 426 | 432 | 438 |
| Transport | 84 | 55 | 36 | 35 | 35 | 36 | 36 |
| Supplies & Services | 6,442 | 7,511 | 4,317 | 3,549 | 3,613 | 3,676 | 3,740 |
| 3rd party payments | 6,495 | 6,877 | 7,262 | 6,993 | 7,046 | 7,098 | 7,151 |
| Transfer payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Support services | 576 | 601 | 472 | 511 | 511 | 511 | 511 |
| Depreciation | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 2,756 | 3,742 | 585 | 540 | 540 | 540 | 540 |
| Government grants | 284 | 309 | 77 | 68 | 68 | 68 | 68 |
| Reimbursements | 394 | 426 | 283 | 206 | 206 | 206 | 206 |
| Customer & client receipts | 2,078 | 3,007 | 225 | 265 | 265 | 265 | 265 |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 13,684 | 13,853 | 14,127 | 13,082 | 13,164 | 13,172 | 13,294 |

2016/17 Expenditure

- Employees
- Premises
- Transport
- Supplies & Services
- 3rd party payments
- Transfer payments
- Support services
- Depreciation

2016/17 Income

- Government grants
- Reimbursements
- Customer & client receipts
- Reserves
- Capital Funded

| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Primary Schools Expansions | | 21,760 | 10,478 | 4,102 | | | |
| Secondary School Expansions | | | 270 | 7,945 | 14,230 | 8,690 | 4,200 |
| SEN Expansions | | 391 | 2,325 | 1,095 | 4,844 | 3,650 | 0 |
| Inflation | | | | | | | |
| Devolved Formula Capital/FSM | | 767 | 362 | | | | |
| Schools Capital Maintenance | | 577 | 777 | 752 | 650 | 650 | 650 |
| Other | | | 407 | 104 | 104 | | 105 |
| | 0 | 23,495 | 14,619 | 13,998 | 19,828 | 12,990 | 4,955 |

| Year | Budget | Actual |
|------|--------|--------|
| 2014 | 13,684 | 13,853 |
| 2015 | 14,127 | |
| 2016 | 13,082 | |
| 2017 | 13,164 | |
| 2018 | 13,172 | |
| 2019 | 13,294 | |

2016/17

Reduce expenditure on LAC and SEN placements: £50,000
Reduce expenditure on post 16 LAC/Care Leavers placements: £50,000
Reduce early intervention commissioning budgets: £340,000
Commissioning part of youth saving: £279,730
Increased income from schools and/or reduced LA service offer to schools: £56,630

2017/18

Data review & centralisation: £40,000

2018/19

Commissioning rationalisation: £60,000
Property and contracts: £55,000

2019/20

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | | |
|---|---------|------------------|--|--|------------------------|-------------------------------|--|------------|--------|-------|---|
| Commissioning, Strategy and Performance | | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECT BENEFITS | | | Risk | | | |
| | | | | | | | | Likelihood | Impact | Score | |
| Project 1 | | Project Title: | Commissioning (Departmental TOM) | | | Improved effectiveness | | | 3 | 2 | 6 |
| Start date | 2015-16 | Project Details: | Further development of joint commissioning with Public Health and Merton CCG. Ensure effective mobilisation of new community health contract from April 2016. Drive implementation of new CAMHs strategy. Progress work with PH and CCG to explore and implement more integrated models for the future commissioning of services for CYP & families. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 2 | | Project Title: | Children's Home Procurement (Departmental TOM) | | | Improved effectiveness | | | 3 | 2 | 6 |
| Start date | 2015-16 | Project Details: | Secure mandate from MIB and Procurement Board to tender for provision of a small children's home in Merton for adolescent LAC. Progress procurement during 2016-17. | | | | | | | | |
| End date | 2016-17 | | | | | | | | | | |
| Project 3 | | Project Title: | Implementation of Secondary School Places Strategy (EducationTOM) | | | Infrastructure renewal | | | 4 | 2 | 8 |
| Start date | 2014-15 | Project Details: | Continue liaison with Education Funding Agency and Harris Federation to deliver a new secondary (Free) school in the Wimbledon area. Implement expansion of 2/3 secondary schools in east of the borough to achieve overall additional places needed. Undertake statutory processes and procure/plan/deliver construction contracts. | | | | | | | | |
| End date | 2018-19 | | | | | | | | | | |
| Project 4 | | Project Title: | Implementation of Special School (SEN) Places Strategy (Education TOM) | | | Infrastructure renewal | | | 3 | 2 | 6 |
| Start date | 2015-16 | Project Details: | Develop overall strategy for provision of sufficient and suitable SEN places in Merton; undertake capital bidding and procure/plan/deliver construction contracts. | | | | | | | | |
| End date | 2018-19 | | | | | | | | | | |
| Project 5 | | Project Title: | Release of Assets (Departmental TOM) | | | Improved efficiency (savings) | | | 3 | 1 | 3 |
| Start date | 2015-16 | Project Details: | Implementation of flexible working for CSP services in the Civic Centre; review of asset release possibilities inc CSF current delivery sites and school caretakers' houses. | | | | | | | | |
| End date | 2016-17 | | | | | | | | | | |
| Project 6 | | Project Title: | Departmental Restructure (Departmental TOM) | | | Improved efficiency (savings) | | | 2 | 2 | 4 |
| Start date | 2015-16 | Project Details: | Undertake preparatory work for the major departmental restructure planned for 2017-18 in respect of CSP Division services. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 7 | | Project Title: | Frameworki/MOSAIC (Departmental TOM) | | | Improved effectiveness | | | 2 | 2 | 4 |
| Start date | 2015-16 | Project Details: | Continue to support implementation of new system across CSF. Ensure capability to deliver statutory returns post implementation and support further development of internal performance reporting from new system. | | | | | | | | |
| End date | 2016-17 | | | | | | | | | | |
| Project 8 | | Project Title: | Personal Budgets (Education TOM/C+F Act) | | | Improved customer experience | | | 3 | 2 | 6 |
| Start date | 2014-15 | Project Details: | Progress further rollout of Personal Budgets for families of children subject to education, health and care plans (ex SEN Statements). Work with SENDIS service to maintain focus of encouraging PBs for SEN travel assistance and support implementation of next phase of PBs for Short Breaks services. | | | | | | | | |
| End date | 2016-17 | | | | | | | | | | |

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| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | | |
|---|------------|------------------|---|--|-------------------------|-------------------------------|--|------------|--------|-------|----|
| Education | | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECTS BENEFITS | | | Risk | | | |
| | | | | | | | | Likelihood | Impact | Score | |
| Project 1 | | Project Title: | Improving pupil outcomes at KS2 & KS4 (Edn TOM) | | | Improved effectiveness | | | 2 | 3 | 6 |
| Start date | 2013-14 | Project Details: | Rigorous support and challenge for schools in RI or vulnerable to RI including maintenance of Securing Good Schools Programme. Training and briefings on Ofsted, assessment,curriculum amd improving teaching. New outstanding teacher courses for primary and secondary teachers. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 2 | | Project Title: | School Improvement through partnership (Edn TOM) | | | Improved effectiveness | | | 3 | 2 | 6 |
| Start date | 2013-14 | Project Details: | Ongoing support for the development of the Merton Education Partnership and brokerage of school to school support through Merton Leaders of Education, primary expert teachers and liaison with Teaching Schools. Partnership with schools on redefining LA functions as part of Education TOM. | | | | | | | | |
| End date | 2019-20 | | | | | | | | | | |
| Project 3 | | Project Title: | Transforming Early Years (EY's TOM) | | | Improved efficiency (savings) | | | 3 | 2 | 6 |
| Start date | 2013-14 | Project Details: | Securing supply of good quality sufficient number of funded education places for 2, 3 and 4 year olds.; On-going development of the Locality Model to reorganise Children's Centre provision to maximise outcomes within available funding. Service realignment and standardisation across back office functions. Develop further alternative / shared / mixed use for the centres to include an accommodation review and ICT infrastructure review. To increase income and develop a charging framework across the service, includes customer contact and self serve options for fee paying customers. | | | | | | | | |
| End date | 2019-20 | | | | | | | | | | |
| Project 4 | | Project Title: | Implementation of requirements of Children & Families Act (Edn TOM & CYPWB) | | | Improved customer experience | | | 4 | 3 | 12 |
| Start date | 2013-14 | Project Details: | Implementation of legislative requirements including assessment framework, Ed, Health & Care Plan, development of the local offer, preparation for adulthood pathways, secure web portal, personal budgets for those families that want them. Related to SCIS Programme. Addressing new statutory duty for age 19-25. Develop plan and manage process within available funding streams. | | | | | | | | |
| End date | 2019-20 | | | | | | | | | | |
| Project 5 | | Project Title: | Development of AltED & linked provision | | | Risk reduction and compliance | | | 3 | 2 | 6 |
| Start date | 2013-14 | Project Details: | Development of Melbury College and commissioning of AltEd provision. Including addressing new statutory duty for age 19-25. Develop plan and manage process within available funding streams. | | | | | | | | |
| End date | 2016-17 | | | | | | | | | | |
| Project 6 | | Project Title: | Youth transformation phases 3 & 4 (Edn TOM) | | | Improved efficiency (savings) | | | 4 | 3 | 12 |
| Start date | 2013-14 | Project Details: | Implementation of new funding models for PB & PH. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 7 | | Project Title: | Education TOM/CYPWB Model | | | Improved efficiency (savings) | | | 4 | 3 | 12 |
| Start date | 2015 -2016 | Project Details: | Develop and deliver the Education TOM & CYPWB Model across CSF Services, Including implementation of MOSAIC phases 1 & 2 | | | | | | | | |
| End date | 2019 -2020 | | | | | | | | | | |

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Community & Housing

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|------------|--|--|--|-------------------------------|--|--|------------|--------|-------|
| Adult Social Care | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECTS BENEFITS | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | ASC re-structure / service redesign (2016/17 - CH04,CH20,CH21,CH22,CH23,CH58,CH59&CH64 2017/18 - CH37 & 2018/19 - CH20&CH54) | | Improved efficiency (savings) | | | 2 | 3 | 6 |
| Start date | 01/04/2016 | | The proposed structural changes will support the focus on the customer, the customer journey and the customer experience. It will also complement the Merton Agile approach for social care. The approach represents a change from current service delivery models and structures, requiring a move from defined job roles to skills based flexible working, with wider and deeper partnership working with other parts of the Council, the Voluntary sector and the Private Sector. | | | | | | | |
| End date | 01/06/2016 | | | | | | | | | |
| Project 2 | | Project Title: Project Details: | Grant Funded Prevention Programme (2016/17 - CH05 & 2017/18 - CH53) | | Improved effectiveness | | | 1 | 2 | 2 |
| Start date | 01/06/2015 | | Older people supported to live behind their own front doors for as long as possible, in a way that is inclusive, personalized, inter generational as far as possible locality based, and enables them to make whatever contribution they can. | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 3 | | Project Title: Project Details: | Reablement (CH02) | | Improved effectiveness | | | 4 | 2 | 8 |
| Start date | 2015-16 | | Review of the new Reablement Service to optimise its cost effectiveness. | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 4 | | Project Title: Project Details: | Equipment and Adaptations | | Improved customer experience | | | 3 | 2 | 6 |
| Start date | 2015-16 | | Review of equipment and adaptation pathways to promote/maximise independence within available resources. | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 5 | | Project Title: Project Details: | Transition | | Improved customer experience | | | 3 | 2 | 6 |
| Start date | 2015-16 | | Review, redesign and deliver improved processes and approaches for supporting people in transition from childhood to adulthood | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 6 | | Project Title: Project Details: | Challenging Behaviour Offer | | Improved customer experience | | | 3 | 3 | 9 |
| Start date | 01/11/2015 | | Review, redesign and deliver an improved local offer to meet the needs of adults with behaviour that challenges services. | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 7 | | Project Title: Project Details: | LD Day Activities | | Improved effectiveness | | | 4 | 2 | 8 |
| Start date | 01/06/2015 | | Review and continuous improvement of LD day/evening activities and associated transport | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 8 | | Project Title: Project Details: | MH Accommodation and Support (CH62) | | Improved efficiency (savings) | | | 4 | 2 | 8 |
| Start date | 2015-16 | | Option appraisals of the possible accommodation and support offer identified in review of MH Accommodation and Support by Alder. | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 9 | | Project Title: Project Details: | Social capital / Access to Universal Services | | Improved effectiveness | | | 4 | 3 | 12 |
| Start date | 2016-17 | | Increased use of social capital to meet eligible needs as opposed to funded specialist support services | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 10 | | Project Title: Project Details: | Good Neighbours/Volunteers Review (CH61) | | Improved effectiveness | | | 2 | 3 | 6 |
| Start date | 2016-17 | | Redesign and deliver a plan to promote "good neighbours" whereby neighbours/ volunteer's increasingly help to support each other rather than being dependent on formal support services. | | | | | | | |
| End date | 2017-18 | | | | | | | | | |

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | |
|---|------------|------------------|--|-------------------------------|--|------------|--------|-------|
| Adult Social Care | | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECTS BENEFITS | | Risk | | |
| | | | | | | Likelihood | Impact | Score |
| Project 11 | | Project Title: | Dementia Friendly Community | Improved customer experience | | 4 | 2 | 8 |
| Start date | 01/08/2015 | Project Details: | | | | | | |
| End date | 2018-19 | | | | | | | |
| Project 12 | | Project Title: | Information Portal | Improved customer experience | | 3 | 3 | 9 |
| Start date | 2015-16 | Project Details: | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 13 | | Project Title: | Face to Face/Telephone Contact | Improved customer experience | | 3 | 3 | 9 |
| Start date | 2015-16 | Project Details: | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 14 | | Project Title: | Developing a workforce fit for the future | Improved effectiveness | | 4 | 3 | 12 |
| Start date | 2015-16 | Project Details: | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 15 | | Project Title: | Income Generation (CH51) | Economic outcomes | | 4 | 3 | 12 |
| Start date | 30/11/2015 | Project Details: | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 16 | | Project Title: | Assessment & Care Management Processes | Improved effectiveness | | 2 | 3 | 6 |
| Start date | 01/07/2015 | Project Details: | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 17 | | Project Title: | Financial Assessment and Debt Minimisation | Improved effectiveness | | 4 | 3 | 12 |
| Start date | 30/06/2015 | Project Details: | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 18 | | Project Title: | Shared Services | Improved efficiency (savings) | | 4 | 3 | 12 |
| Start date | 2016-17 | Project Details: | | | | | | |
| End date | 2017-18 | | | | | | | |
| Project 19 | | Project Title: | In-House Organisational Structures | Improved efficiency (savings) | | 5 | 2 | 10 |
| Start date | 2016-17 | Project Details: | | | | | | |
| End date | 2017-18 | | | | | | | |
| Project 20 | | Project Title: | SCIS | Improved effectiveness | | 3 | 4 | 12 |
| Start date | 2014-15 | Project Details: | | | | | | |
| End date | 2016-17 | | | | | | | |

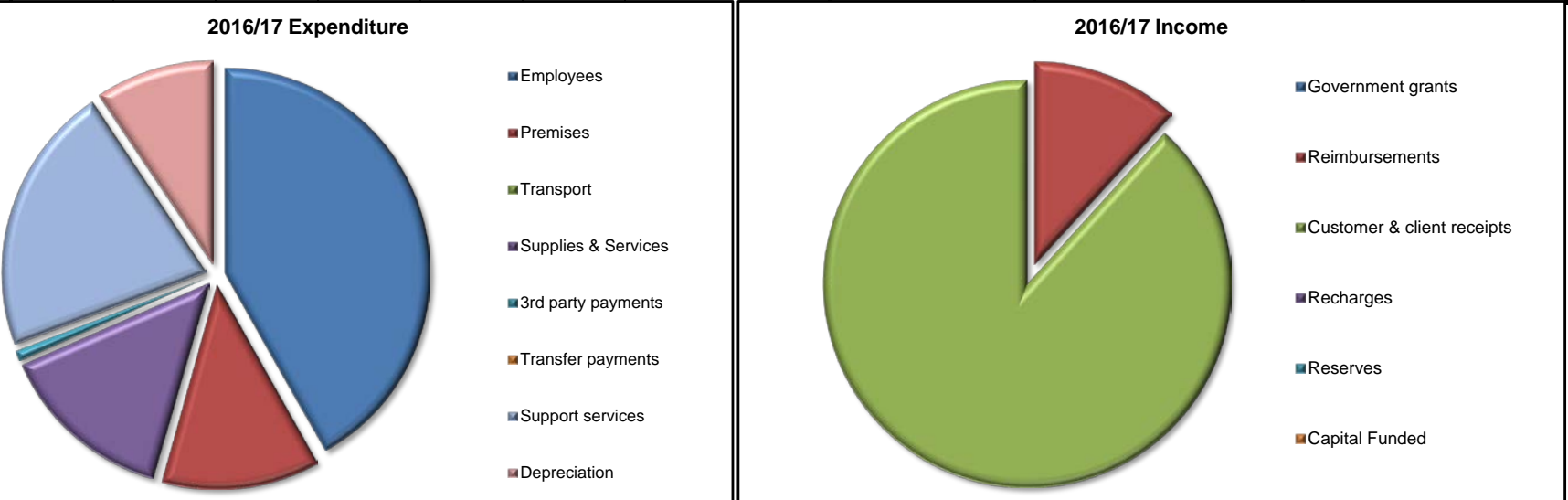
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|---------|--|---|-------------------------------|-------------------------|---|------------|--------|-------|--|
| Adult Social Care | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECTS BENEFITS | | Risk | | | |
| | | | | | | | Likelihood | Impact | Score | |
| Project 21 | | Project Title: Project Details: | Customer Profiling Use data about the population in Merton and about service users and carers to ensure the right resources are in the right place at the right time and that customers can more easily be matched (or match themselves) to services or service providers in an open/transparent market. | Improved effectiveness | | 4 | 3 | 12 | | |
| Start date | 2015-16 | | | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 22 | | Project Title: Project Details: | Carers Support (CH60) Review, redesign and deliver an improved local offer to meet the needs of carers in Merton. | Improved customer experience | | 3 | 4 | 12 | | |
| Start date | 2015-16 | | | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 23 | | Project Title: Project Details: | Rebalanced Homecare Services Portfolio Shift of emphasis to outcomes based services, Pay-for-Results, and Restorative Care for agency delivered services. More shared data & systems to enable an optimised Agile Social Care System. More coordinated and integrated end-to-end hospital to home system with predictive analytics. | Improved efficiency (savings) | | 3 | 3 | 9 | | |
| Start date | 2015-16 | | | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 24 | | Project Title: Project Details: | Micro-Direct Commissioning System Micro-direct commissioning allows service users to commission their own services. It is a cashless system connecting people needing care with people who can provide it. Providers may be individuals, working full or part time, agencies, voluntary and other orgs. The system electronically matches users and providers. | Improved efficiency (savings) | | 3 | 4 | 12 | | |
| Start date | 2016-17 | | | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 25 | | Project Title: Project Details: | Bed based care Fully evaluate the case for developing 2 x 80 bed careunits for older people outside the borough. Look at potential for hybrid capitalisation, 3rd party management /operator business model. | Improved efficiency (savings) | | 3 | 4 | 12 | | |
| Start date | 2016-17 | | | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 26 | | Project Title: Project Details: | Senior 'AIR BNB' System For matching homeowners needing care and individuals who can provide it in exchange for accommodation. | Improved efficiency (savings) | | 3 | 4 | 12 | | |
| Start date | 2016-17 | | | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 27 | | Project Title: Project Details: | Shared data/systems/metrics With market providers for quality, value and performance. Quality as an integral part of the value equation together with customer feedback. | Improved effectiveness | | 3 | 4 | 12 | | |
| Start date | 2015-16 | | | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 28 | | Project Title: Project Details: | Procurement Efficiencies & Savings (2016/17 - CH63 2017/18 CH2,CH35,CH36&CH52 2018/19 - CH36&CH39) More contracts focused on 'pay for results' and 'outcome'. Contractual obligations to share a wider range of data for performance, value and quality. | Improved efficiency (savings) | | 3 | 4 | 12 | | |
| Start date | 2015-16 | | | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 29 | | Project Title: Project Details: | Integration Merton Integration Board (BCF Project) has the following key interfaces with ASC Redesign: - Improving reactive provider response services incl. the reablement restructure - Establishing 7 day working and proactive case management e.g. by locality teams including Home from Hospital - Increasing the use of Telecare and Telehealth | Improved effectiveness | | 3 | 4 | 12 | | |
| Start date | 2015-16 | | | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 30 | | Project Title: Project Details: | Control 3rd Party Spend (2016/17 - CH24,CH25,CH26,CH27,CH28,CH29,CH30,CH31,CH32,CH33,CH34, CH38 & 2017/18 - CH1,CH3 & 2018/19 - CH55) Control authorisation of new packages of support and implement review processes for existing cases cases to improve service user outcomes and deliver savings in line with MTFS and ensure on-going support promotes independence. | Improved efficiency (savings) | | 3 | 4 | 12 | | |
| Start date | 2015-16 | | | | | | | | | |
| End date | 2018-19 | | | | | | | | | |

| Housing Needs and Enabling Services | | | | | | | | Planning Assumptions | | | | | | | | The Corporate strategies your service contributes to | | | | | | | |
|--|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|---|----------------------|---|----------------|----------------|----------------|--|--------------------------------------|--|-----------------|-------------------|----------------------------------|--|--|--|--|
| Cllr Nick Draper Cabinet Member for Community & Culture | | | | | | | | Anticipated demand | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Homelessness Strategy | | | | | | | |
| Enter a brief description of your main activities and objectives below | | | | | | | | Housing advice, options, private tenants & landlords advice | | 11000 | 11000 | 11000 | 11000 | 11000 | 11000 | Housing Strategy | | | | | | | |
| | | | | | | | | Housing register applicants | | 8200 | 8150 | 8100 | 8500 | 8950 | 9350 | | | | | | | | |
| | | | | | | | | Housing options casework | | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | | | | | | | | |
| | | | | | | | | Demand for temporary accommodation | | 330 | 380 | 420 | 475 | 475 | 475 | | | | | | | | |
| To fulfil statutory housing functions to prevent homelessness and avoid the use of temporary accommodation. | | | | | | | | Anticipated non financial resources | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | | | | | |
| | | | | | | | | Housing Needs Staff (FTE) | | 26.5 | 24.5 | 21.79 | 17.79 | 15.79 | 18 | | | | | | | | |
| | | | | | | | | Environmental Health (Housing) | | 7.03 | 6.03 | 5.03 | 5.03 | 4.03 | 4.03 | | | | | | | | |
| | | | | | | | | TOTALS | | 33.53 | 30.53 | 26.82 | 22.82 | 19.82 | 22.03 | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| To plan services in response to changes in national policies and in the housing market, and to develop innovative projects or models of delivery that maximise the use of resources and deliver services that minimise costs to the council. | | | | | | | | Performance indicator | | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met | | | | |
| | | | | | | | | | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | | | | | |
| | | | | | | | | No. of homelessness preventions | | 550 | 550 | 450 | 450 | 450 | 450 | High | Monthly | Business critical | Increased costs | | | | |
| | | | | | | | | No. of households in temporary accommodation | | 125 | 130 | 225 | 250 | 250 | 250 | Low | Monthly | Business critical | Increased costs | | | | |
| | | | | | | | | Highest no. of families in B&B | | 10 | 10 | 10 | 10 | 10 | 10 | Low | Monthly | Business critical | Increased costs | | | | |
| | | | | | | | | Highest no. of adults in B&B | | 10 | 10 | 10 | 10 | 10 | 10 | Low | Monthly | Business critical | Increased costs | | | | |
| | | | | | | | | Affordable homes delivered | | 70 | 35 | 30 | 80 | 60 | 30 | High | Annual | Outcome | Reputational risk | | | | |
| | | | | | | | | Social housing lets | | 410 | 415 | 375 | 420 | 380 | 370 | High | Quarterly | Outcome | Increased waiting times | | | | |
| | | | | | | | | Rent deposit - new tenancies | | 90 | 90 | 50 | 50 | 50 | 50 | High | Annual | Outcome | Increased waiting times | | | | |
| | | | | | | | | No. of enforcement/improvement notices | | 60 | 55 | 55 | 55 | 55 | 55 | High | Quarterly | Outcome | Reduced enforcement | | | | |
| | | | | | | | | Number of Disabled Facilities Grants approved | | 75 | 75 | 60 | 60 | 60 | 60 | High | Quarterly | Outcome | Customer hardship | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | | | | | | | <div>2016/17 Expenditure</div> <div>2016/17 Income</div> | | |
| | | | | | | | | Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | | | | | | | | |
| Expenditure | 3,651 | 4,196 | 3,443 | 4,208 | 4,011 | 3,856 | 3,881 | | | | | | | | | | | | | | | | |
| Employees | 1,348 | 1,326 | 1,222 | 1,119 | 933 | 753 | 753 | | | | | | | | | | | | | | | | |
| Premises | 38 | 38 | 39 | 39 | 40 | 40 | 41 | | | | | | | | | | | | | | | | |
| Transport | 28 | 28 | 28 | 28 | 28 | 29 | 29 | | | | | | | | | | | | | | | | |
| Supplies & Services | 247 | 184 | 203 | 219 | 186 | 255 | 258 | | | | | | | | | | | | | | | | |
| Transfer Payments | 1,375 | 2,011 | 1,396 | 2,262 | 2,283 | 2,294 | 2,315 | | | | | | | | | | | | | | | | |
| 3rd party payments | 338 | 327 | 304 | 249 | 249 | 193 | 193 | | | | | | | | | | | | | | | | |
| Transfer Payments | 0 | 0 | 0 | 292 | 292 | 292 | 292 | | | | | | | | | | | | | | | | |
| Support services | 277 | 282 | 251 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | |
| Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | | | | | | | | | | | | | | | | |
| Income | 1,359 | 2,004 | 1,292 | 2,198 | 2,198 | 2,198 | 2,198 | | | | | | | | | | | | | | | | |
| Government grants | 1,140 | 1,680 | 1,140 | 2,000 | 2,000 | 2,000 | 2,000 | | | | | | | | | | | | | | | | |
| Reimbursements | 5 | 51 | 5 | 20 | 20 | 20 | 20 | | | | | | | | | | | | | | | | |
| Customer & client receipts | 214 | 273 | 147 | 178 | 178 | 178 | 178 | | | | | | | | | | | | | | | | |
| Recharges | | | | | 0 | | | | | | | | | | | | | | | | | | |
| Reserves | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Funded | | | | | | | | | | | | | | | | | | | | | | | |
| Council Funded Net Budget | 2,292 | 2,192 | 2,151 | 2,010 | 1,813 | 1,658 | 1,683 | | | | | | | | | | | | | | | | |
| Capital Budget £'000s | | | | | | | | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | Summary of major budget etc. changes | | | | | | | | |
| Disabled Facilities | | | | | | | | | 519 | 650 | 840 | 755 | 629 | 280 | | | 2016/17 | | | | | | |
| 8 Wilton Road | | | | | | | | | 550 | 60 | | | | Savings £56k Reduction of Homelessness Prevention grant (CH8) Savings £30k Rationalisation of admin budget (CH9) Newly proposed savings - Deletion of 3.5 posts - £129k (included in reduced FTE staff numbers above) (CH40, CH41, CH42) Temporary Accomodation Expenditure and Income budgets realigned for increase in number of clients. | | | | | | | | | |
| Western Road | | | | | | | | | | | 875 | | | | | | | | 2017/18 | | | | |
| | | | | | | | | | | | | | | | | | | | | | Savings £30k Rationalisation of admin budget (CH9) Savings -£36k - Deletion of one staffing post ((CH10) Savings -£100k Further Staff reductions (Any areas of HNES & EHH) (CH43) Savings £50k - Staff reduction in Housing Services (CH57) | | |
| | | | | | | | | | | | | | | | | | 2018/19 | | | | | | |
| | | | | | | | | | | | | | | Savings -£62k Further Staff reductions (Any areas of HNES & EHH) (CH43) Savings £118k - Staff reduction in Housing Services (CH57) | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | 2019/20 | | | | |
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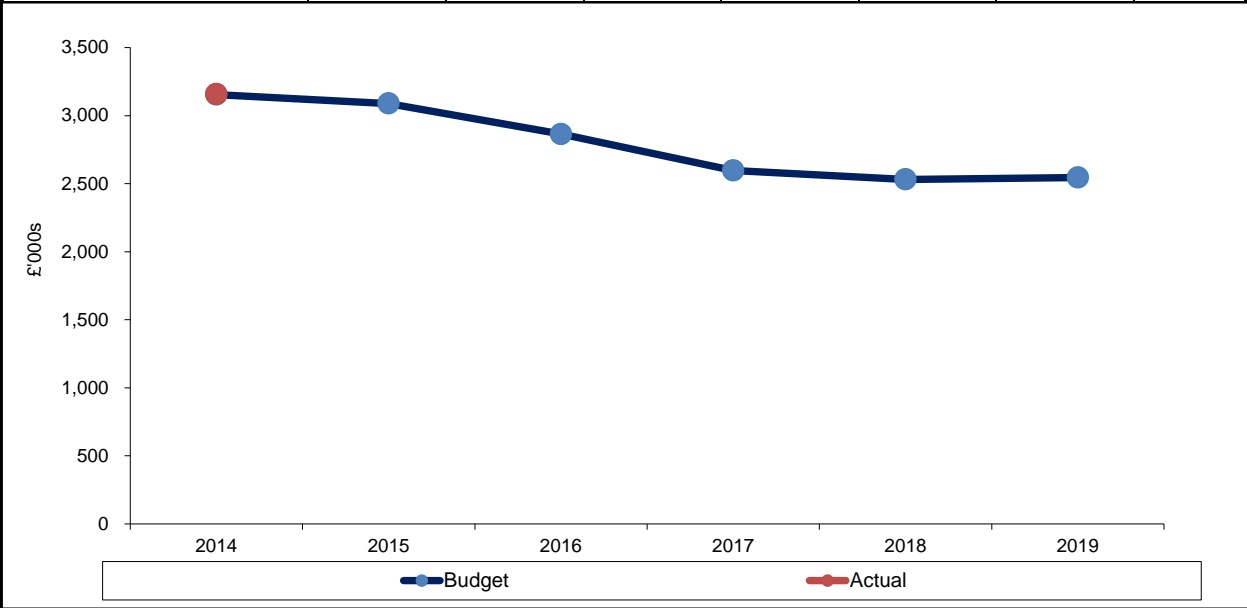
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | |
|---|---------|--|---|-------------------------------|---|------------|--------|-------|
| Housing Needs and Enabling Services | | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECTS BENEFITS | | Risk | | |
| | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | Deliver on-line self-assessment tools Implement on-line Housing Register pre-application assessment tool. | Improved effectiveness | 3 | 1 | 3 | |
| Start date | 2016-17 | | | | | | | |
| End date | 2017-18 | | | | | | | |
| Project 2 | | Project Title: Project Details: | Homeless Placement Policy Implement and monitor the Homeless Placement policy | Risk reduction and compliance | 2 | 2 | 4 | |
| Start date | 2016-17 | | | | | | | |
| End date | 2017-18 | | | | | | | |
| Project 3 | | Project Title: Project Details: | CHMP Regeneration Input to CHMP regeneration with Future Merton. | Improved reputation | 1 | 2 | 2 | |
| Start date | 2014-15 | | | | | | | |
| End date | 2018-19 | | | | | | | |
| Project 4 | | Project Title: Project Details: | Housing Service Review Consider any actions arising from the review on whether or not to keep the Housing Needs and Enabling Service in house or outsource, whilst also considering the place of Environmental Health (Housing). | Economic outcomes | 3 | 1 | 3 | |
| Start date | 2015-16 | | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 5 | | Project Title: Project Details: | Shared Lives Development Explore ways to potentially develop the Shared Lives range of services, considering the business case for any service developments and liaise with the appropriate referring agencies to provide any additional funding where necessary | Improved effectiveness | 3 | 1 | 3 | |
| Start date | 2015-16 | | | | | | | |
| End date | 2017-18 | | | | | | | |
| Project 6 | | Project Title: Project Details: | Technology Review Review whether to retain Capita Housing and Home Connections in light of any procurement rules and operating environment. Work with IT / E&R on re-procurement / replacement of M3PP. | Improved effectiveness | 2 | 1 | 2 | |
| Start date | 2016-17 | | | | | | | |
| End date | 2017-18 | | | | | | | |
| Project 7 | | Project Title: Project Details: | Selective Licencing Produce a business case to consider selective licencing and/or additional licencing in parts of the borough and progress any actions arising where necessary. | Improved effectiveness | 2 | 1 | 2 | |
| Start date | 2015-16 | | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 8 | | Project Title: Project Details: | EDRMS Workflow Work with Corporate to implement EDRMS in Housing and then update workflow processes accordingly | Improved effectiveness | 2 | 2 | 4 | |
| Start date | 2015-16 | | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 9 | | Project Title: Project Details: | Service re-structure Develop plans in 2016/17 to re-structure the service in 2017/18 in light of the need to continue to provide a service with a reduced workforce. | Improved efficiency (savings) | 2 | 3 | 6 | |
| Start date | 2016-17 | | | | | | | |
| End date | 2017-18 | | | | | | | |

| Libraries | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | | |
|---|---|---|------------|------------|------------|------------|------------|--|-----------------|-------------------|----------------------------------|
| Cllr Nick Draper Cabinet Member for Community & Culture | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| Enter a brief description of your main activities and objectives below The purpose of the service is to provide a 'comprehensive and efficient' library service, addressing the 'needs of adults and children' according to the Public Libraries and Museums Act 1964. Local authorities have a statutory duty to make provision for a library service but may decide on how this is delivered. Certain aspects of the service must be provided for free: Free lending of books Free access to information Free library membership The Library Service aims to provide a modern, high quality and cost effective service that is responsive to the needs of customers. Our vision is to remain the most efficient library service in London whilst continuing to achieve some of the highest customer satisfaction levels. | Active users | 54,500 | 55,000 | 56,000 | 56,000 | 56,000 | 56,000 | Community Plan | | | |
| | Stock issues | 1,000,000 | 1,000,000 | 950,000 | 950,000 | 900,000 | 900,000 | Corp Equality Scheme | | | |
| | Registered members | 130,000 | 135,000 | 135,000 | 135,000 | 135,000 | 135,000 | Customer Services Strategy | | | |
| | Visitor figures | 1,150,000 | 1,200,000 | 1,200,000 | 1,210,000 | 1,210,000 | 1,210,000 | Voluntary Sector Strategy | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Performance Management Framework | | | |
| | Staff (FTE) | 47 | 45.71 | 43.56 | 39.56 | 39.56 | 39.56 | ICT Policy | | | |
| | Accommodation (Libraries) | 7 | 7 | 7 | 7 | 7 | 7 | Performance Management Framework | | | |
| | Equipment (PC's) | 144 | 144 | 144 | 144 | 144 | 144 | Workforce Development Plan | | | |
| | | | | | | | | Asset Management Plan | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| | Number of visitors accessing the library service online | 115,000 | 170,000 | 200,000 | 210,000 | 220,000 | 230,000 | High | Monthly | Business critical | Reduced uptake of service |
| | Active users - peoples network terminal | 54,500 | 55,000 | 56,000 | 56,000 | 56,000 | 56,000 | High | Monthly | Business critical | Reduced uptake of service |
| | % self service usage for stock transactions | 95 | 95 | 96 | 97 | 97 | 97 | High | Monthly | Outcome | Increased costs |
| | Active volunteers in libraries | 180 | 200 | 210 | 220 | 230 | 230 | High | Monthly | Business critical | Customer hardship |
| | Maintain Income | £327,000 | £316,000 | £316,000 | £346,000 | £346,000 | £346,000 | High | Monthly | Unit cost | Increased costs |
| | Partnership numbers | 30 | 30 | 30 | 30 | 30 | 30 | High | Monthly | Quality | Customer hardship |
| | % customer satisfaction (ARS) | 78 | 78 | 78 | 78 | 78 | 78 | High | Annual | Outcome | Reduced customer service |
| | | | | | | | | | | | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 3,568 | 3,523 | 3,405 | 3,222 | 2,955 | 2,920 | 2,934 |
| Employees | 1,329 | 1,261 | 1,325 | 1,348 | 1,068 | 1,020 | 1,020 |
| Premises | 452 | 463 | 397 | 403 | 409 | 416 | 421 |
| Transport | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Supplies & Services | 576 | 588 | 465 | 449 | 454 | 459 | 468 |
| 3rd party payments | 38 | 38 | 28 | 27 | 29 | 30 | 30 |
| Transfer payments | | | | 0 | 0 | 0 | 0 |
| Support services | 689 | 689 | 696 | 688 | 688 | 688 | 688 |
| Depreciation | 480 | 480 | 490 | 303 | 303 | 303 | 303 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 413 | 364 | 316 | 358 | 358 | 388 | 388 |
| Government grants | | | | | | | 0 |
| Reimbursements | 86 | 84 | | 42 | 42 | 42 | 42 |
| Customer & client receipts | 327 | 280 | 316 | 316 | 316 | 346 | 346 |
| Recharges | | | | | | | 0 |
| Reserves | | | | | | | 0 |
| Capital Funded | | | | | | | 0 |
| Council Funded Net Budget | 3,155 | 3,159 | 3,089 | 2,864 | 2,597 | 2,532 | 2,546 |



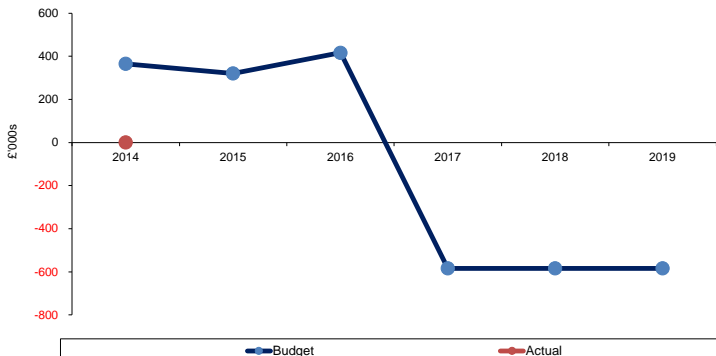
| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Colliers Wood Library Re-Fit | | | | 200 | | | |
| Library Self Service | | | 270 | 80 | | | |
| West Barnes Library Re-fit | | | | | 200 | | |
| Library Management System | | | | | 100 | | |
| | | | | | | | |
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| | | | | | | | |
| | 0 | 0 | 270 | 280 | 300 | 0 | 0 |



| Summary of major budget etc. changes | |
|--|--|
| 2016/17 | |
| Savings - Activities - £2k Savings - Staffing - £26k Savings - PLUS Consultation - £3k Savings - Volunteer Contract - £20k Savings - Reduction in Media Fund - £45k | |
| 2017/18 | |
| Savings - Introduce self-serve Libraries at off peak times - £90k Savings - Staffing - £60k Savings Proposal -Shared Management Structure - £130k(CH67) | |
| 2018/19 | |
| Savings - Letting of space for coffee shop franchise in libraries - £30k Completion of Shared Library & Heritage Service Management Structure with another borough - £25k (CH68) Full rationalisation of staffing structures and building usage with another borough (phase 2) – £23k (CH69) | |
| 2019/20 | |

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | | |
|---|---------|---------------------------------------|---|--|-------------------------|-------------------------------|--|------------|--------|-------|---|
| Libraries | | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECTS BENEFITS | | | Risk | | | |
| | | | | | | | | Likelihood | Impact | Score | |
| Project 1 | | Project Title: Project Details | E-communications | | | Improved customer experience | | | 2 | 1 | 2 |
| Start date | 2015-16 | | Continue to channel shift communication through digital methods: 1. Channel shift more customers towards receiving e-mail and SMS notifications; 2. Develop social networking tools and replace current e-newsletter structure; 3. Continue to develop library website; 4. Support with channel shift as part of the Customer Contact project | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 2 | | Project Title: Project Details | Heritage Strategy | | | Improved effectiveness | | | 3 | 1 | 3 |
| Start date | 2015-16 | | Promote the new Heritage Strategy and increase community participation in heritage activities. Continue to draw in external funding and improve income streams. | | | | | | | | |
| End date | 2019-20 | | | | | | | | | | |
| Project 3 | | Project Title: Project Details | Stock efficiency program | | | Improved efficiency (savings) | | | 3 | 1 | 3 |
| Start date | 2015-16 | | Continue to deliver efficiencies in the way that stock is managed. Deliver media fund savings for 2016/17 and consolidate team structure. Maximise usage of e-resources. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 4 | | Project Title: Project Details | Children & Young People's projects | | | Improved customer experience | | | 3 | 1 | 3 |
| Start date | 2013-14 | | Complete the rollout of the universal library membership scheme for all school children and students in Merton. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 5 | | Project Title: Project Details | Outreach and Community Engagement plan | | | Improved customer experience | | | 2 | 1 | 2 |
| Start date | 2013-14 | | Deliver an annual outreach plan to increase usage of libraries including the rollout of Library Connect (pop up library solution). Complete annual user surveys and conduct research and engagement work with under represented groups to shape services accordingly. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 6 | | Project Title: Project Details | IT Projects | | | Improved efficiency (savings) | | | 3 | 2 | 6 |
| Start date | 2013-14 | | Implement new self-service technology and develop payment services online. Rollout new hall booking system in line with corporate systems. Implement self-service libraries at off peak times in branch libraries. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 7 | | Project Title: Project Details | Assisted digital support | | | Improved customer experience | | | 2 | 1 | 2 |
| Start date | 2013-14 | | Increase volunteer numbers and skills in supporting customers with more complex IT needs. Support national initiatives such as National Numeracy Challenge and 6 Book Reading Challenge to improve residents skills. | | | | | | | | |
| End date | 2016-17 | | | | | | | | | | |
| Project 8 | | Project Title: Project Details | Security services contract | | | Improved efficiency (savings) | | | 3 | 2 | 6 |
| Start date | 2015-16 | | Re-tender of contract and on-going monitoring of performance. | | | | | | | | |
| End date | 2018-19 | | | | | | | | | | |
| Project 9 | | Project Title: Project Details | Library redevelopments | | | Improved customer experience | | | 3 | 2 | 6 |
| Start date | 2013-14 | | Progress redevelopment plans for West Barnes and Donald Hope libraries. Investigate co-location opportunities with other council services and partners. | | | | | | | | |
| End date | 2017-18 | | | | | | | | | | |
| Project 10 | | Project Title: Project Details | London Libraries Consortium | | | Improved efficiency (savings) | | | 3 | 2 | 6 |
| Start date | 2015-16 | | Work with LLC to improve systems and drive through efficiencies. Implement actions in LLC Strategy and procure new solution. | | | | | | | | |
| Projects | 2018-19 | | | | | | | | | | |

| Public Health | | | | | | | | Planning Assumptions | | | | | | | | The Corporate strategies your service contributes to | | | | | | |
|--|--|---|--|------------|--|------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--------------------------|--|-----------------------------|
| Cllr Caroline Cooper-Marblah Cabinet Member for Adult Social Care & Health | | | | | | | | Anticipated demand | | 2014/15 | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | Health & Wellbeing Strategy |
| Our vision for the public's health in Merton over the next five years is to stem the increase in the significant inequalities in health outcomes between the East and West of Merton, providing more equal opportunities for all residents of Merton to be healthy. Our vision for the public health team is to make health everyone's business, working with partners in the Council, Merton Clinical Commissioning Group and the voluntary sector to increase understanding of their contribution to and involvement in prevention and in reducing health inequalities, using evidence of best practice. Public Health services comprise • Mandatory: sexual health, NHS health checks, Healthy Child 0-5 services (from October 2015), National Child Measurement Programme, Support to Clinical Commissioning groups, and assurance of health emergency preparedness • Universal: Smoking cessation, drugs and alcohol, obesity • Other | | | | | | | | Sexual health | | 20,201 | | 20,554 | | 20,913 | | 21,243 | | 21,667 | | TBC | | |
| | | | | | | | | Drugs & alcohol | | 438 Drugs/205 alcohol | | 452 Drugs/253 Alcohol | | 467 Drugs/280 Alcohol | | 502 Drugs/345 Alcohol | | TBC | | TBC | | |
| | | | | | | | | Support to CCG | | 40% of PH staff capacity | | 40% of PH staff capacity | | 40% of PH staff capacity | | 40% of PH staff capacity | | 40% of PH staff capacity | | 40% of PH staff capacity | | |
| | | | | | | | | NHS Health Checks | | 5723 | | 6211 | | 6300 | | 6300 | | 6300 | | 6300 | | |
| | | | | | | | | National Child Measurement Programme | | Reception Cohort : 2,526 Year 6 Cohort: 2,006 | | Reception Cohort : 2,610 Year 6 Cohort: 2,012 | | Reception Cohort : 2,655 Year 6 Cohort: 2,068 | | Reception Cohort : 2,700 Year 6 Cohort: 2,125 | | Reception Cohort : 2,745 Year 6 Cohort: 2,182 | | TBC | | |
| | | | | | | | | NHS Smoking Cessation | | 1580 | | 1168 | | 1000 | | TBC | | TBC | | TBC | | |
| | | | | | | | | Health Visiting New Birth Visits: estimated new births | | 3274 | | 3237 | | 3170 | | 3104 | | 3037 | | 2971 | | |
| | | | | | | | | NEW: Number of residents who are referred to tier 2 weight management services | | N/A | | N/A | | TBC | | TBC | | TBC | | TBC | | |
| | | | | | | | | Anticipated non financial resources | | 2014/15 | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | |
| | | | | | | | | Staff (FTE) | | 14.77 | | 14.77 | | 15.43 | | 15.43 | | TBC | | TBC | | |
| Staff (Trainees) | | 2 | | 1 | | 2 | | 2 | | TBC | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| Performance indicator | | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | | Reporting cycle | | Indicator type | | Main impact if indicator not met | | | | | | | | |
| | | 2014/15(T) | | 2015/16(T) | | 2016/17(T) | | 2017/18(P) | | 2018/19(P) | | 2019/20(P) | | | | | | | | | | |
| Chlamydia diagnosis | | 2200 | | 2200 | | 2200 | | 2300 | | 2300 | | 2300 | | High Quarterly Output | | | | | | | | |
| Late diagnosis of HIV rate | | 43.2% | | 42% | | 42% | | 40% | | 38% | | 38% | | Low Annual Outcome | | | | | | | | |
| Successful completion of drug treatment (TBC) | | 52% | | 54.2% | | 56.2% | | 60.2% | | TBC | | TBC | | Quarterly Outcome | | | | | | | | |
| Signed Memo Of Understanding (MOU) with MCCG | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Annual Business critical | | | | | | | | |
| % NHS health checks uptake of those offered service | | 58.5% | | 58.5% | | 50% | | 50% | | 52% | | 54% | | High Quarterly Output | | | | | | | | |
| % excess weight in children age 10 - 11 years | | 35.4% | | 35.5% | | 35.6% | | 35.7% | | TBC | | TBC | | Low Annual Outcome | | | | | | | | |
| Number of successful 4-week smoking quits | | 790 | | 584 | | TBC | | TBC | | TBC | | TBC | | High Quarterly Outcome | | | | | | | | |
| NEW: Health Visiting – Percentage of New Birth Reviews within 14 days of birth | | N/A | | N/A | | TBC | | TBC | | TBC | | TBC | | Quarterly Outcome | | | | | | | | |
| % of participation in National Child Measurement Programme (Sep - Aug) | | 84% | | 95% | | 95% | | TBC | | TBC | | TBC | | High Annual Outcome | | | | | | | | |
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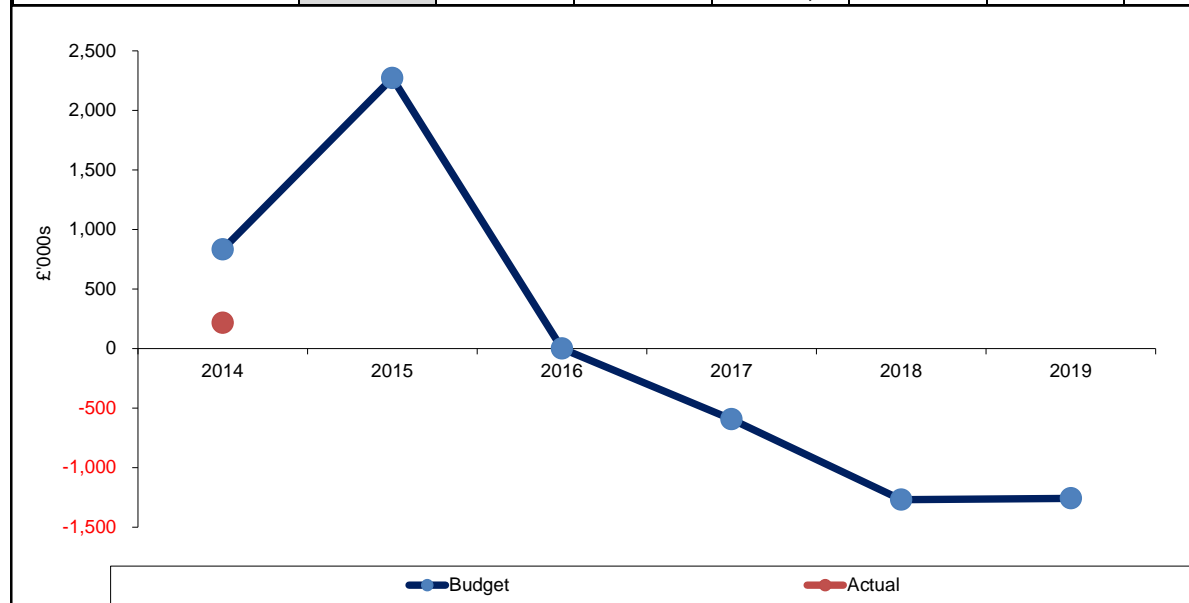
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|-----------|------------------|--|--|-------------------------------|--|--|------------|--------|-------|
| Public Health | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECTS BENEFITS | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: | Integrated sexual health service | | Improved effectiveness | | | 3 | 3 | 9 |
| Start date | 2014-15 | Project Details: | Commissioning an integrated tier 2 sexual health service which incorporates existing provision in Contraceptive and Sexual Health (CaSH) and extends this provision to tier 2 testing and treatment of sexually transmitted infections. This service would be commissioned on a Payment by Results or tariff basis and allowing for cross-charging of non-Merton residents. | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 2 | | Project Title: | Review of local HIV services | | Improved effectiveness | | | 3 | 3 | 9 |
| Start date | 2014-15 | Project Details: | Analyse local need in relation to HIV, review existing services which are funded through pan-London and South London partnerships to ensure they are fit for purpose and meet local need, and increase HIV testing in the community. Re-commission HIV prevention and support services to more effectively meet the changing needs relating to HIV and late diagnosis. | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 3 | | Project Title: | NEW: Befriending Scheme pilot | | Improved effectiveness | | | 2 | 2 | 4 |
| Start date | 2014/15 | Project Details: | The Merton Befriending Scheme Pilot started in January 2015 for 2 years, and provides a mixture of face-to-face and telephonic services, operating on a one-to-one basis with Merton residents over the age of 65 years in order to reduce social isolation and loneliness in the people who receive this service. | | | | | | | |
| End date | 2016/17 | | | | | | | | | |
| Project 4 | | Project Title: | Integrated Health Improvement service (LiveWell) - procurement | | Improved effectiveness | | | 2 | 1 | 2 |
| Start date | 2015-2016 | Project Details: | This evidence based service covers health improvement, stop smoking, tier 2 weight management for adults, tier 3 weight management for adults, tier 2 weight management for children and training for front line workers. It is currently being procured and will start mobilisation in early 2016. | | | | | | | |
| End date | 2017-2018 | | | | | | | | | |
| Project 5 | | Project Title: | Prevention | | Improved effectiveness | | | 2 | 1 | 2 |
| Start date | 2014-15 | Project Details: | Public Health work with a range of partners on the prevention agenda, ranging from the direct commissioning of programmes (e.g. LiveWell, Healthy Workpalce Outreach) to the influencing of local policy to create an environment that supports healthy choices (e.g. alcohol licensing policy). Work from across the council e.g. the contract to manage the boroughs leisure centres, complements the public health led activity and has an important role to play in reducing the health inequalities between east and west Merton. | | | | | | | |
| End date | 2017-18 | | | | | | | | | |
| Project 6 | | Project Title: | Development of Healthy Child 0-19 Services | | Improved effectiveness | | | 3 | 3 | 9 |
| Start date | 2015-16 | Project Details: | Responsibility for Health Visiting Services transferred from NHS England to LB Merton in October 2015. The service has now been recommissioned and a new contract will commence on 1st April 2016. Work will be required to ensure the development and transformation of the service towards a Healthy Child 0-19 years service, linking health visiting and school nursing locality teams to provide seamless care pathways for children and young people. | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 7 | | Project Title: | NEW: Proactive GP pilot | | Improved effectiveness | | | 2 | 2 | 4 |
| Start date | 2015-16 | Project Details: | The Proactive GP pilot was designed and launched in November 2015 in the more deprived areas of Merton. The pilot aims to embed prevention in primary care and to reduce variation in long-term conditions between GP practices. Initially the pilot focuses on smoking and COPD. If successful, other long-term conditions and lifestyle prevention initiatives will be added. | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 8 | | Project Title: | NEW: Development of the East Merton Model of Care | | Improved effectiveness | | | 2 | 2 | 4 |
| Start date | 2015/16 | Project Details: | Public Health, Merton CCG and the East Merton GP locality group are working to develop a model of care for East Merton that addresses the specific health needs of residents of East Merton. Public Health is working with MCCG to examine the evidence, views and current provisions for health and social care and co-produce a model of care for East Merton, that informs the development of a health centre on the Wilson Hospital site. | | | | | | | |
| End date | 2016/17 | | | | | | | | | |
| Project 9 | | Project Title: | Substance Misuse Prevention and Treatment - procurement | | Improved efficiency (savings) | | | 3 | 3 | 9 |
| Start date | 2015/16 | Project Details: | The substance misuse service is being redesigned in partnership with Merton CCG to cover the entire pathway from prevention to treatment. The service will include a component of shared care that, over time, will provide a more cost effective and local service to residents. It is about to go out to procurement, with new service to be in place from 01 October 2016. | | | | | | | |
| End date | 2016/2017 | | | | | | | | | |
| Project 10 | | Project Title: | Support to Merton Clinical Commissioning Group | | Improved effectiveness | | | 2 | 2 | 4 |
| Start date | 2015/16 | Project Details: | Public Health is required to provide up to forty per cent of its staff capacity to support the work of the MCCG. Public Health staff participate in 5 of the 6 work streams that represent MCCG priorities, providing data analysis, needs assessment and evidence of best practice. | | | | | | | |
| End date | 2017/18 | | | | | | | | | |

Corporate Services

[illegible]

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 3,554 | 3,649 | 5,196 | 3,713 | 3,119 | 2,444 | 2,455 |
| Employees | 2,368 | 2,380 | 3,576 | 2,363 | 1,759 | 1,076 | 1,076 |
| Premises | | | | 0 | | | |
| Transport | 3 | 1 | 3 | 3 | 3 | 4 | 4 |
| Supplies & Services | 860 | 791 | 1,230 | 1,011 | 1,022 | 1,029 | 1,040 |
| 3rd party payments | | | | 0 | | | |
| Support services | 323 | 476 | 386 | 335 | 335 | 335 | 335 |
| Depreciation | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 2,722 | 3,433 | 2,924 | 3,713 | 3,713 | 3,713 | 3,713 |
| Government grants | | 8 | | | | | |
| Reimbursements | | 12 | | | | | |
| Customer & client receipts | 84 | 133 | 84 | 114 | 114 | 114 | 114 |
| Recharges | 2,638 | 3,280 | 2,840 | 3,599 | 3,599 | 3,599 | 3,599 |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 832 | 215 | 2,272 | (0) | (594) | (1,269) | (1,258) |

| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-------------------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Document management system | | | 342 | 398 | | | |
| Plan Web/Capita Housing | | | 42 | | 100 | 42 | |
| Customer contact programme | | | 215 | 570 | | | |
| Data Labelling | | 124 | 36 | 134 | | | |
| Replace Social Care System | | 226 | 220 | 525 | | | |
| Electronic Asset Management | | | | 50 | | | 190 |
| Public Protection&Mapinfo Sys | | | | 550 | 75 | | |
| Revenues & Benefits | | | | | | 400 | |
| | 0 | 350 | 855 | 2,227 | 175 | 442 | 190 |



2016/17 Expenditure

- Employees
- Premises
- Transport
- Supplies & Services
- 3rd party payments
- Support services
- Depreciation

2016/17 Income

- Government grants
- Reimbursements
- Customer & client receipts
- Recharges
- Reserves
- Capital Funded

| Summary of major budget etc. changes | |
|--|--|
| 2016/17 | |
| Reorganisation of systems development and support arrangements CS63 £88k. CSD37 PO Restructure 64k CSD38 Reduction in hardware/software costs 5k CSD39 Phase 2 of Business Systems team restructure 50k CSD40 Additional income from Gazetteer 30k CSD41 Consolidation of systems support 20k | |
| 2017/18 | |
| Reorganisation of systems development and support arrangements CS63 £74k. CSD42 Restructure functions, delete 1 AD and other elements of management 170k CS2015-08 Staffing support savings 13k | |
| 2018/19 | |
| CS2015-01 Rationalisation of IT systems, removal of support for some systems 3k CS2015-02 Expiration of salary protection 16k | |
| 2019/20 | |

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | |
|---|------------|--|---|---|--|------------|--------|-------|
| Business Improvement | | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | | |
| | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | Customer Contact programme Lead and deliver CC programme; to deliver improvements (technology and service redesign) set out in CC Strategy. | Improved customer experience | | 2 | 2 | 4 |
| Start date | 01/04/2013 | | | The programme is part of the move to a 21st Century organisation, with technology that supports a more comprehensive and cohesive service to customers and recognises the new, modern ways in which they wish to access services. Through channel shift and a reduction in avoidable contact/failure demand we expect the programme to support and enable the achievement of savings and efficiencies within individual services. | | | | |
| End date | 31/09/2016 | | | | | | | |
| Project 2 | | Project Title: Project Details: | Electronic document and records management system Procure and implement a replacement EDRMS to support and enable flexible/remote working and Customer Contact. | Improved efficiency (savings) | | 3 | 2 | 6 |
| Start date | 01/04/2013 | | | EDRMS will enable flexible and remote working, more efficient and cost effective storage and retrieval of documentation. | | | | |
| End date | 31/07/2016 | | | | | | | |
| Project 3 | | Project Title: Project Details: | Social Care Information System Procure and implement a Social Care Information system to support adults social and children and families integrated care. | Improved efficiency (savings) | | 1 | 3 | 3 |
| Start date | 01/06/2014 | | | A fit for purpose system that supports efficient business practices and care management now and into the future | | | | |
| End date | 31/06/2016 | | | | | | | |
| Project 4 | | Project Title: Project Details: | Data Labelling System Introduce technology to automatically and retrospectively assess and protectively mark (for security) all Council data and to provide the facility to protectively mark all documents and emails for security going forward. | Risk reduction and compliance | | 2 | 1 | 2 |
| Start date | 01/06/2014 | | | Ensures compliance with legislative requirements on categorisation and storage of data and information. | | | | |
| End date | 31/06/2016 | | | | | | | |
| Project 5 | | Project Title: Project Details: | SCIS Phase 2 Expand the new SCIS solution into other business areas and develop integration with EDRMS and Customer Contact solutions. | Improved efficiency (savings) | | 1 | 2 | 2 |
| Start date | 01/04/2016 | | | A fit for purpose system that supports efficient business practices and care management now and into the future | | | | |
| End date | 31/12/2016 | | | | | | | |
| Project 6 | | Project Title: Project Details: | EAMS Reprocure and implement the council's Asset Management solution and ensure end-to-end channel shift is achieved. | Improved efficiency (savings) | | 1 | 2 | 2 |
| Start date | 01/01/2015 | | | A fit for purpose system that supports channel shift and end-to-end process improvement | | | | |
| End date | 31/12/2016 | | | | | | | |
| Project 7 | | Project Title: Project Details: | MADI Cleansing and geocoding the council's geospatial data and establishing arrangements for the ongoing maintenance of data. | Improved effectiveness | | 1 | 2 | 2 |
| Start date | 01/07/2015 | | | Customers can access and interact with geospatial data to achieve online reporting. | | | | |
| End date | 31/09/16 | | | | | | | |

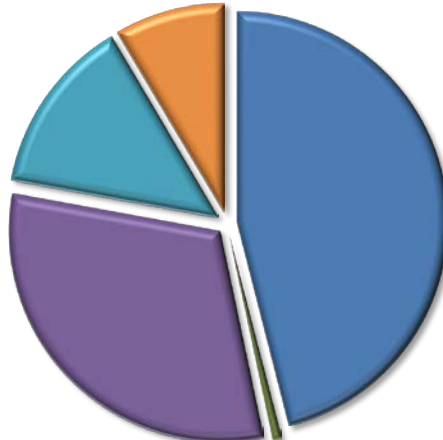
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| Corporate Governance | | | | | | | | Planning Assumptions | | | | | | | | The Corporate strategies your service contributes to | |
|---|--|--|--|--|--|--|--|---|------------|------------|------------|--------------------------|------------|----------|-----------------|--|----------------------------------|
| Cllr Mark Allison Cabinet Member for Finance | | | | | | | | Anticipated demand | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | service contributes to | |
| Enter a brief description of your main activities and objectives below | | | | | | | | Residents | | 208,822 | 211,569 | 214,229 | 216,806 | | | Corp Equality Scheme | |
| Corporate Governance is made up of 7 core services: Information Governance - manages complaints, MP & Member enquiries, Freedom of Information requests, ensuring organisational compliance with Data Protection Act and the Transparency agenda, including maintaining the Publication Scheme. Also provides the Local Land Charges function. <u>Democracy Services</u> - maintains independent scrutiny function, support to Councillors and Mayor & ensures council has robust decision making arrangements. <u>Electoral Services</u> - maintains registers of electors whilst managing the move to individual electoral registration, administers elections & referendums and undertakes boundary & electoral reviews. There is also the shared <u>Legal service</u> with the London Borough of Richmond, which has its own Service Plan. Corporate Governance attends the shared Audit Investigations service hosted by Richmond and Wandsworth Internal Audit and Investigations- are an outsourced service. Investigations covered under SWLFP and Internal Audit by SWLAP (covering Merton, Kingston and Richmond- & Sutton from 1st April 2016) They provide independent, objective appraisal of risk management, governance & internal control processes and fraud risks including planned & unplanned audits. Investigates allegations of poor control and conflicts of interest. Co-ordinates the Annual Governance Statement. Reviews and updates anti fraud polices. Reports poor practice/weak controls to members. | | | | | | | | Officers | | 4081 | ↓ | ↓ | ↓ | | | Customer Services Strategy | |
| | | | | | | | | Councillors | | 60 | 60 | 60 | 60 | | | Risk Management Strategy | |
| | | | | | | | | | | | | | | | | Information Governance Policy | |
| | | | | | | | | | | | | | | | | Corp Procurement Strategy | |
| | | | | | | | | Anticipated non financial resources | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Performance Management Framework | |
| | | | | | | | | Staff (FTE) | | 47 | 39.05 | 30.7 (excl. Invest&audit | 29.7 | 29.7 | 29.7 | Select Strategy delivery | |
| | | | | | | | | Staff - Election | | 900 | 800 | 800 | 800 | | | Central Government | |
| | | | | | | | | Staff - Canvas | | 150 | 150 | 150 | 150 | | | | |
| | | | | | | | | | | | | | | | | | |
| Performance indicator | | | | | | | | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | | | | | | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| Audit actions implemented by agreed date | | | | | | | | 90% | 90% | 90% | 90% | | | High | Quarterly | Business critical | Increased fraud |
| Audits completed against plan | | | | | | | | 90% | 90% | 90% | 90% | | | High | Quarterly | Business critical | Increased fraud |
| Complaints - dealt with in time | | | | | | | | 90% | 90% | 90% | 90% | | | High | Monthly | Perception | Reduced customer service |
| Complaints progressed to stage 2 | | | | | | | | 9% | 9% | 9% | 9% | | | High | Quarterly | Perception | Reduced customer service |
| FOI requests - dealt with in time | | | | | | | | 90% | 90% | 90% | 90% | | | High | Monthly | Perception | Reduced customer service |
| Number of supplementary agendas issued | | | | | | | | 26 | 24 | 22 | 20 | | | High | Monthly | Perception | Government intervention |
| Ombudsman complaints answered in time | | | | | | | | 90% | 90% | 90% | 90% | | | Low | Quarterly | Quality | Rework |
| Ombudsman complaints partially or fully upheld | | | | | | | | N/A | N/A | 40% | TBC | | | Low | Monthly | Perception | Government intervention |
| % of FOI refusal notices not upheld at review | | | | | | | | N/A | N/A | 4% | TBC | | | Low | Monthly | Perception | Government intervention |

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 4,303 | 4,027 | 3,789 | 3,616 | 3,488 | 3,433 | 3,438 |
| Employees | 2,302 | 2,376 | 2,289 | 1,664 | 1,551 | 1,491 | 1,491 |
| Premises | 14 | 11 | 1 | 0 | 0 | 0 | 0 |
| Transport | 26 | 30 | 23 | 24 | 25 | 25 | 25 |
| Supplies & Services | 1,259 | 1,158 | 1,123 | 1,127 | 1,112 | 1,116 | 1,121 |
| 3rd party payments | | | | 493 | 493 | 493 | 493.19 |
| Support services | 703 | 452 | 352 | 307 | 307 | 307 | 307 |
| Depreciation | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 2,539 | 2,418 | 2,019 | 2,121 | 2,122 | 2,122 | 2,122 |
| Government grants | 202 | 181 | | | | | |
| Reimbursements | 59 | 105 | 99 | 114 | 99 | 99 | 99 |
| Customer & client receipts | 213 | 289 | 54 | 54 | 70 | 70 | 70 |
| Recharges | 2,065 | 1,843 | 1,866 | 1,953 | 1,953 | 1,953 | 1,953 |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 1,764 | 1,609 | 1,770 | 1,495 | 1,366 | 1,311 | 1,316 |

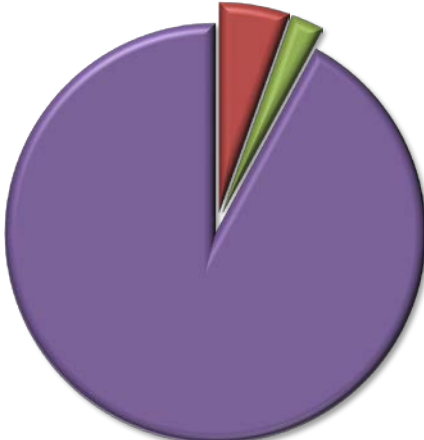
| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
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| | | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

2016/17 Expenditure



- Employees
- Premises
- Transport
- Supplies & Services
- 3rd party payments
- Support services
- Depreciation

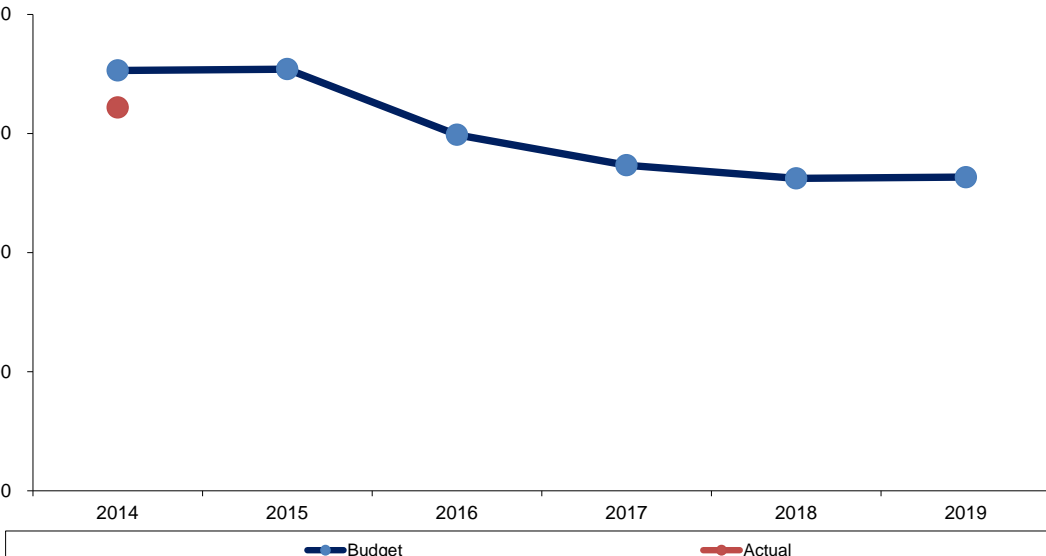
2016/17 Income



- Government grants
- Reimbursements
- Customer & client receipts
- Recharges
- Reserves
- Capital Funded

| Summary of major budget etc. changes | |
|---|--|
| 2016/17 | |
| CSD44 Stop web casting meetings, remove scrutiny support fund and other supplies 35k CSD45 Share audit and investigation service 60k | |
| 2017/18 | |
| CSD43 Share FOI and information governance policy £40k CSD45 Share audit and investigation service 20k CS2015-13 Shared Investigation Service 40k CS2015-14 Shared audit service 33k | |
| 2018/19 | |
| CSD43 Share FOI and Information Governance policy 10k CS2015-06 Delete auditor post and fees 50k | |
| 2019/20 | |
| | |

£'000s



2014 2015 2016 2017 2018 2019

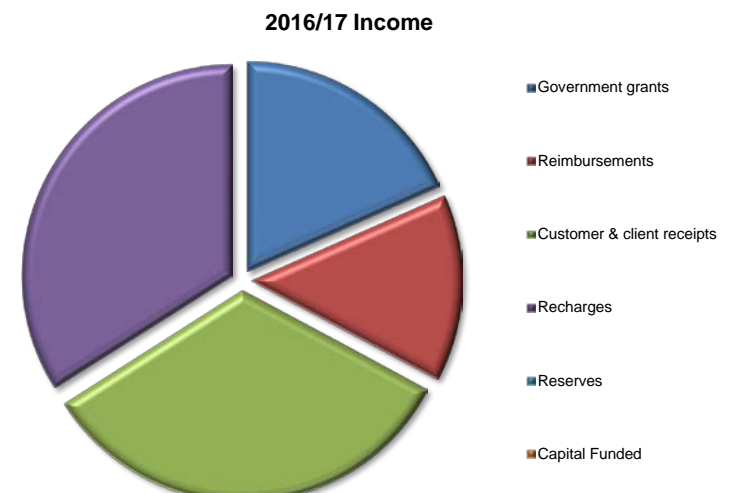
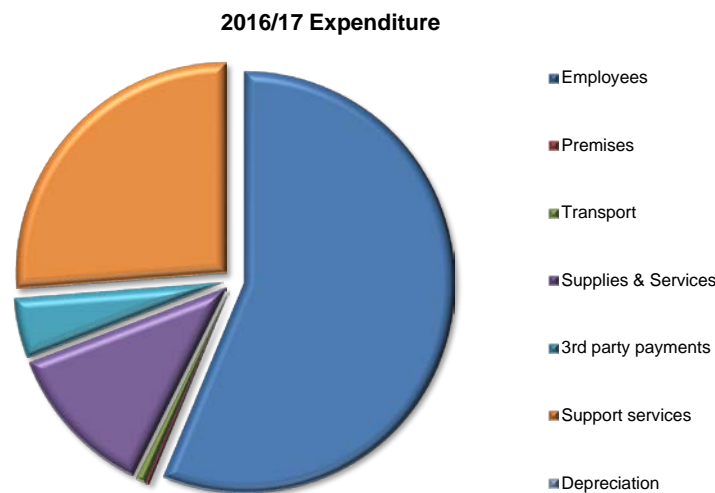
— Budget — Actual

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|------------|--|---|--|-------------------------------|--|--|------------|--------|-------|
| Corporate Governance | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECTS BENEFITS | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | 2013/17 Implement individual electoral registration | | Risk reduction and compliance | | | 3 | 3 | 9 |
| Start date | 01/04/2013 | | Introduce new system of Individual Electoral Registration by implementing new processes to register residents, whilst undertaking data matching and public awareness strategies to seek to maximise the accuracy and completeness of the register of electors. | | | | | | | |
| End date | 31/12/2016 | | | | | | | | | |
| Project 2 | | Project Title: Project Details: | 2013/17 Administer statutory elections, referendums and ballots. | | Risk reduction and compliance | | | 3 | 3 | 9 |
| Start date | 01/04/2013 | | Administer GLA elections in 2016, and European Referendum before the end of 2017, plus Wimbledon BID ballot in 2016, together with any other referendums and ballots that may be required. | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 3 | | Project Title: Project Details: | Committee report workflow | | Improved effectiveness | | | 2 | 1 | 2 |
| Start date | 01/06/2014 | | To improve workflow through implementation of features within new software system. Will enable report authors to submit electronically, receive deadline reminders and get legal and finance comments as well as sign off by Directors and Cabinet Members. 2015/16 rolled out to Cabinet and Council. 2016/17 rollout to other committees. | | | | | | | |
| End date | 01/10/2017 | | | | | | | | | |
| Project 4 | | Project Title: Project Details: | Scrutiny Improvement Programme | | Improved customer experience | | | 2 | 1 | 2 |
| Start date | 01/04/2014 | | To continue to improve effectiveness and impact of the scrutiny function and to engage new councillors in scrutiny activities. Programme comprises objectives and actions agreed by the Overvieww and Scrutiny Commission each year when it receives the Annual Member Survey. | | | | | | | |
| End date | 31/03/2018 | | | | | | | | | |
| Project 5 | | Project Title: Project Details: | LLC service delivery | | Improved customer experience | | | 3 | 1 | 3 |
| Start date | 01/04/2014 | | Review of LLC service delivery; dependent on national directive | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |

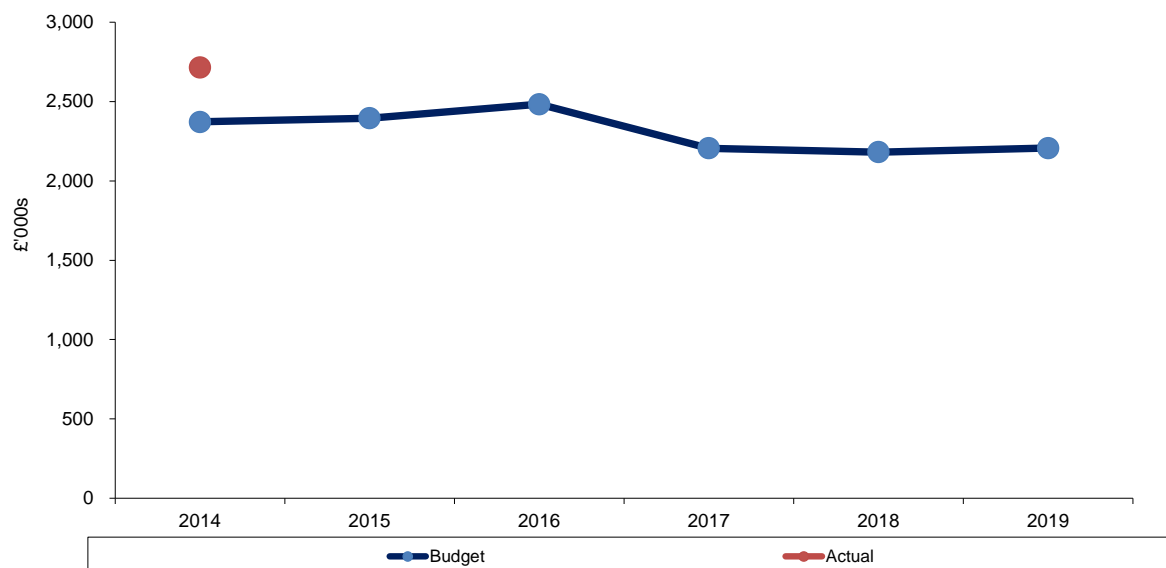
Page 1

| Customer Services | Planning Assumptions | | | | | | | The Corporate strategies your | | | |
|--|--|---|------------|------------|------------|------------|------------|--------------------------------|-------------------|---------------------------|----------------------------------|
| CLlr Mark Allison Cabinet Member for Finance | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | service contributes to | | | |
| Enter a brief description of your main activities and objectives below | Benefit/Council Tax support claimants | 16,000 | 16,000 | 15,400 | 14,500 | 14,000 | | Customer Services Strategy | | | |
| There are 5 core services: Local Taxation - responsible for Council Tax & Business Rates collection, Debt recovery & Bailiff collection services; - this includes a shared bailiff service with Sutton Council Housing Benefit - responsible for administering housing and council tax benefit schemes & identification and prevention of fraud; Merton Link - first point of contact for most council customers & visitors, through either face to face or via telephone - also provide Translation Services & Concessionary Travel Schemes; Registrars - responsible for registration of births & deaths, marriages & civil partnerships, citizenship ceremonies & nationality services; Communications - responsible for protecting and enhancing the reputation of Merton Council; promoting Merton as a good place to live, work and learn; ensuring residents know about and have access to services; ensuring the community is able to have a say in the council decisions; and engaging council staff so they understand the direction of the council and are committed to putting customers at the heart of all they do. Front line service for Universal Credit - local authorities will be responsible for delivering front line services for universal credit for those claimants that cannot claim and access on-line. It is anticipated that this new service will be delivered within this service plan period but details are vague due to the uncertainty of the roll-out of the scheme. It is also unclear how the roll out of Universal Credit will impact on the Housing Benefit caseload and workload | Telephone callers | 600,000 | 600,000 | 500,000 | 450,000 | 400,000 | | Homelessness Strategy | | | |
| | Face to face customers | 100,000 | 90,000 | 85,000 | 80,000 | 70,000 | | Medium Term Financial Strategy | | | |
| | Council tax properties | 82,500 | 83,000 | 83,500 | 84,000 | 85,000 | | Social Inclusion Strategy | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | Staff (FTE) | 140.4 | 148.3 | 134 | 133 | 133 | 133 | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| | % of Merton Bailiff files paid in full (exc parking & misc debt) | 58% | 58% | 58% | 58% | 58% | | High | Monthly | Outcome | Loss of income |
| | % of positive and neutral coverage tone | 92% | 92% | 92% | 92% | 92% | | High | Monthly | Perception | Reputational risk |
| | Business Rates collected | 97.25% | 97.50% | 97.50% | 97.50% | 97.50% | | High | Monthly | Business critical | Loss of income |
| | Council Tax Collected | 97% | 97.25% | 97.25% | 97.25% | 97.25% | | High | Monthly | Business critical | Loss of income |
| First contact resolution | 60% | 65% | 70% | 75% | 75% | | High | Monthly | Perception | Reduced customer service | |
| Event income (Marriages, Civil Partnerships etc.) | 415,000 | 400,000 | 415,000 | 425,000 | 450,000 | | High | Monthly | Business critical | Loss of income | |
| % of on-line transactions (HB Claims) | N/A | 60% | 60% | TBC | TBC | | High | Monthly | Business critical | Reduced customer service | |
| % Customer satisfaction with new website | N/A | N/A | TBC | TBC | TBC | | High | Monthly | Perception | Reduced uptake of service | |
| Time taken to process Housing Benefit COC | N/A | 11 days | 11 days | 11 days | 11 days | | Low | Monthly | Business critical | Customer hardship | |
| Time taken to process new Housing Benefit claims | N/A | 21 days | 21 days | 21 days | 21 days | | Low | Monthly | Business critical | Customer hardship | |

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 9,289 | 9,662 | 8,991 | 9,196 | 8,943 | 8,919 | 8,944 |
| Employees | 5,089 | 5,433 | 5,113 | 5,173 | 4,969 | 4,969 | 4,969 |
| Premises | 22 | 10 | 20 | 29 | 29 | 29 | 29 |
| Transport | 63 | 65 | 64 | 70 | 71 | 72 | 72 |
| Supplies & Services | 1,448 | 1,592 | 1,425 | 1,089 | 1,033 | 1,002 | 1,019 |
| 3rd party payments | 577 | 449 | 458 | 425 | 431 | 438 | 444 |
| Support services | 2,089 | 2,113 | 1,910 | 2,410 | 2,410 | 2,410 | 2,410 |
| Depreciation | | | | 0 | 0 | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 6,917 | 6,948 | 6,597 | 6,713 | 6,738 | 6,738 | 6,738 |
| Government grants | 1,743 | 1,754 | 1,519 | 1,232 | 1,232 | 1,232 | 1,232 |
| Reimbursements | 930 | 1,342 | 930 | 970 | 970 | 970 | 970 |
| Customer & client receipts | 2,184 | 1,937 | 2,184 | 2,228 | 2,253 | 2,253 | 2,253 |
| Recharges | 2,060 | 1,914 | 1,964 | 2,283 | 2,283 | 2,283 | 2,283 |
| Reserves | | | | | | | |
| Capital funded | | | | | | | |
| Council Funded Net Budget | 2,371 | 2,715 | 2,394 | 2,482 | 2,205 | 2,181 | 2,206 |



| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-----------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
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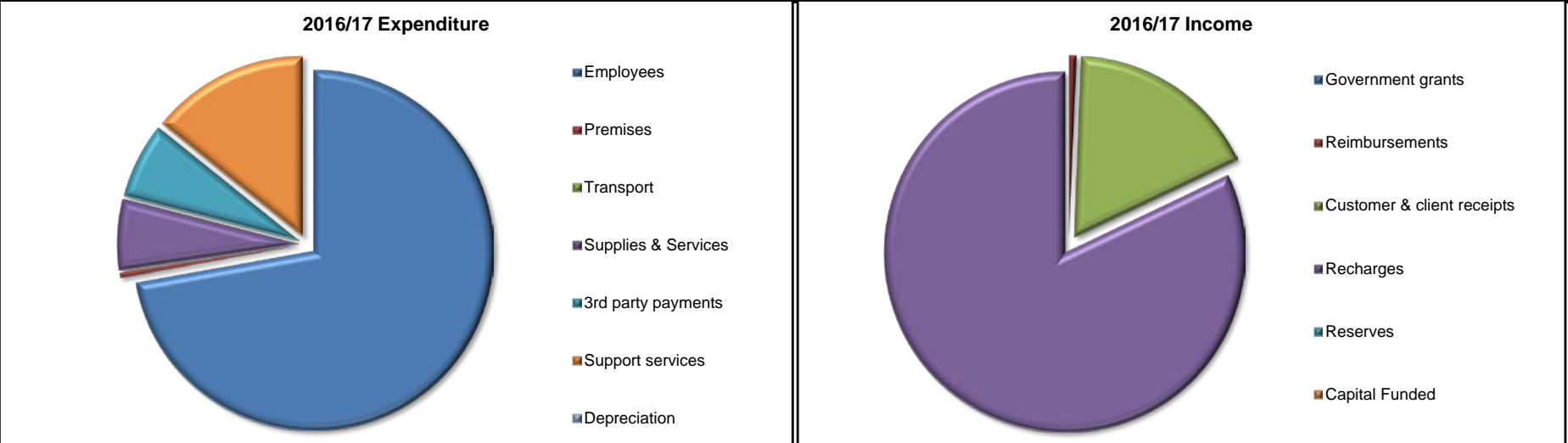


| Summary of major budget etc. changes | |
|---|--|
| 2016/17 | |
| CS36 Re-tendering of cash collection services 10k CS39 Impact of customer services review 30k Reduction in discretionary relief payments 81k (to replace CS12 and CS13). CSD16 reduction in discretionary relief payments 231k CSD9, 10 and 11 Savings from system savings (E-capture, Risk based verification, Experian) 41k CSD14 Reduction in one Revenues Officer post 30k CSD15 Increase in court costs 40k CSD18 and 19 My Merton reduction in costs and delete one Communication Assistant post, 32k and 25k | |
| 2017/18 | |
| CS60 Deletion of Assistant Director post £109k CSD17 Reduce marketing budget, increase self service and reduce designer costs 73k CS2015-04 Increase in registrars' income 25k | |
| 2018/19 | |
| CSD19 My Merton savings 49k | |
| 2019/20 | |
| | |

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|------------|--|--|--|-------------------------------|--|--|------------|--------|-------|
| Customer Services | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECT BENEFIT | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | Universal Credit Implementation Implement the role out of UC in Merton and provide a support framework to assist claimants claim UC and receive budgeting advice | | Economic outcomes | | | 2 | 1 | 2 |
| Start date | 01/01/2016 | | | | | | | | | |
| End date | 31/03/2019 | | | | | | | | | |
| Project 2 | | Project Title: Project Details: | Implement an Outside Wedding Venue Seek planning permisson and implement outside wedding venue at Morden Park House. | | Improved efficiency (savings) | | | 1 | 1 | 1 |
| Start date | 01/04/2013 | | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 3 | | Project Title: Project Details: | Council Tax support scheme During 16/17 options for a revised scheme will be reviewed for Council decision and possible implementation for 17/18 | | Economic outcomes | | | 2 | 1 | 2 |
| Start date | 01/04/2016 | | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 4 | | Project Title: Project Details: | Review Debt Collection Processes With the implementation of the new Financial management computer systems a review of the existing debt collection processes will be undertaken as part of the system implementation. | | Improved effectiveness | | | 2 | 1 | 2 |
| Start date | 01/04/2015 | | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 5 | | Project Title: Project Details: | Redesign of Merton Link Implement the re-design of Merton Link area to improve the customer experience and increase self service | | Improved customer experience | | | 2 | 1 | 2 |
| Start date | 01/10/2015 | | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |

| Human Resources | Planning Assumptions | | | | | | | The Corporate strategies your | | | |
|---|--|---|------------|------------|------------|------------|----------|-------------------------------|----------------|----------------------------------|----------------------|
| Cllr Mark Allison Cabinet Member for Finance | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | service contributes to | | | |
| Enter a brief description of your main activities and objectives below 1) Support effective people management across the organisation through development of a workforce strategy/TOM people layer 2) Implement and maintain efficient HR transactions for recruitment, induction, employee data, payroll, performance management, appraisal, learning and development 3) Provide HR business partner support across the Council 4) Produce HR metrics, analyse people-related problems and take appropriate actions 5) Produce HR strategies, policy frameworks and systems to support effective people management 6) Support and develop capacity building in Members | Employees in Merton for HR, payroll, advice, L&D, EAP etc. | 4,400 | 4,400 | 4,400 | 4,200 | 4,000 | | Workforce Development Plan | | | |
| | New recruits to be appointed | 160 | 160 | 160 | 150 | 140 | | Economic Development Strategy | | | |
| | New Apprentices to be appointed | | | 33 | 33 | 33 | | | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | Staff (FTE) | | | 43.5 | TBC | TBC | | | | | |
| | | | | | | | | | | | |
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| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met | |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | | | | | 2019/20(P) |
| | Time to hire | 90 | 90 | 90 | 88 | 86 | | Low | Monthly | Outcome | Increased costs |
| | Average number of working days lost to sickness, excluding schools | 8 | 8 | 8 | 7 | 7 | | Low | Monthly | Outcome | Increased costs |
| | % Appraisals completed | 98% | 98% | 98% | 98% | 98% | | High | Annual | Outcome | Poor decision making |
| | % Members L&D satisfaction | 82% | 83% | 83% | 83% | 83% | | High | Quarterly | Outcome | Poor decision making |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 3,473 | 3,472 | 3,442 | 3,284 | 2,878 | 2,444 | 2,457 |
| Employees | 2,455 | 2,431 | 2,463 | 2,372 | 1,958 | 1,516 | 1,522 |
| Premises | 15 | 21 | 15 | 15 | 15 | 16 | 16 |
| Transport | 5 | 4 | 5 | 0 | 0 | 0 | 0 |
| Supplies & Services | 294 | 292 | 216 | 208 | 211 | 214 | 217 |
| 3rd party payments | 259 | 347 | 263 | 224 | 228 | 232 | 236 |
| Support services | 447 | 377 | 480 | 467 | 467 | 467 | 467 |
| Depreciation | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 3,128 | 3,469 | 3,151 | 3,284 | 3,436 | 3,436 | 3,436 |
| Government grants | | | | | | | |
| Reimbursements | | 70 | 20 | 20 | 20 | 20 | 20 |
| Customer & client receipts | 569 | 560 | 569 | 569 | 721 | 721 | 721 |
| Recharges | 2,559 | 2,839 | 2,562 | 2,695 | 2,695 | 2,695 | 2,695 |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 345 | 3 | 291 | 0 | (558) | (992) | (979) |



| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | Summary of major budget etc. changes | |
|-----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|
| | | | | | | | | 2016/17 | |
| | | | | | | | | CS49 Introduction of new application tracking system 10k CS50 Occupational Health & Employee Assistance programme 40k CS74 Review of L&D spend 69k CSD32 Review of HR business support 5k, CSD35 L&D Budget 18k HR staffing savings deferred to 2018/19 due to HR redesign programme. | |
| | | | | | | | | 2017/18 | |
| | | | | | | | | CS75 Review of COT staffing 58k CSD30 Schools COT support (delivery of schools buy-back service) £152k CSD34 L&D Admin Support 18k CSD35 L&D Budget 134k | |
| | | | | | | | | 2018/19 | |
| | | | | | | | | CS48 Further rationalisation of HR services 130k CS51 HR Transactions including COT 90k CS49 HR Business Partners - Further consolidation of HR advisory work 140k CSD17 COT Review 38k CSD29 Recruitment and DBS review 50k | |
| | | | | | | | | 2019/20 | |

£'000s

2014 2015 2016 2017 2018 2019

Budget Actual

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|------------|------------------|-----------------------------|--|---------------------------------------|--|--|------------|--------|-------|
| Human Resources | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECT BENEFIT | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: | Workforce Strategy | | Improved staff skills and development | | | 3 | 3 | 9 |
| Start date | 01/04/2014 | Project Details: | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 2 | | Project Title: | Establishment and workforce | | Improved staff skills and development | | | 3 | 4 | 12 |
| Start date | 01/04/2015 | Project Details: | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 3 | | Project Title: | Review HR policies | | Improved effectiveness | | | 3 | 3 | 9 |
| Start date | 01/04/2015 | Project Details: | | | | | | | | |
| End date | 31/09/2016 | | | | | | | | | |

| Infrastructure & Transactions Division (I&T) is a support service made up of five functions which are:- | | | | | | | | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | | | |
|--|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|---|--|---|------------|------------|------------|----------|--|----------------------------|----------------------------------|-------------------|--------------------------|
| Enter a brief description of your main activities and objectives below | | | | | | | | Anticipated demand | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Asset Management Plan | | | |
| IT Service Delivery - IT(SD) supports the councils operations by providing IT infrastructure, desktop equipment and associated software. Fixed and mobile telecommunications, Service Desk facilities, IT Disaster Recovery and Business Continuity arrangements together with IT governance and data security. | | | | | | | | Repairs & Maintenance of Corporate Buildings (Revenue) | | 800,00 | 780,000 | 740,000 | 740,000 | 700,00 | 700,00 | Customer Services Strategy | | | |
| | | | | | | | | IT Service Calls | | 25,700 | 27,800 | 28,500 | 28,500 | 27,800 | 25,500 | Risk Management Strategy | | | |
| | | | | | | | | Health & Safety Statutory Inspections | | 60 | 60 | 60 | 60 | 60 | 60 | | | | |
| | | | | | | | | Transactions requested by departments | | 130,000 | 120,000 | 115,000 | 110,00 | 105,00 | 105,00 | | | | |
| | | | | | | | | Number of Client Affairs cases being managed | | N/A | 220 | 250 | 250 | 250 | 250 | | | | |
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| Facilities Management - FM provides the infrastructure to deliver services through accommodation, building repairs and maintenance for the portfolio of corporate buildings, energy management and conservation, cleaning, catering, print and post room services, security and other associated hard and soft FM services. | | | | | | | | Anticipated non financial resources | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | | | | | | | | FM (FTE) | | 36.9 | 31.9 | 30.9 | 28.9 | 28.9 | 28.9 | | | | |
| | | | | | | | | Transactional Services (FTE) | | 14.7 | 13.3 | 13.3 | 13.3 | 10.3 | 10.3 | | | | |
| | | | | | | | | IT Service Delivery (FTE) | | 32.8 | 32 | 30 | 30 | 30 | 30 | | | | |
| | | | | | | | | Safety Services (FTE) | | 5.5 | 5.5 | 5.5 | 4.5 | 3.5 | 3.5 | | | | |
| | | | | | | | | Client Financial Affairs (FTE) | | N/A | 6 | 7 | 7 | 7 | 7 | | | | |
| | | | | | | | | Management | | 2 | 2 | 2 | 2 | 2 | 2 | | | | |
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| Transactional Services - Incorporates Accounts Payable, Accounts Receivable, Carefirst Administration and Vendor Maintenance. Ensuring prompt and accurate payment for all goods and services provided to LBM. Raise and issue invoices promptly and accurately to maximise revenue received. Ensuring that Vendor Maintenance database is controlled, accurate and cleansed. Providing training and support for all users of the systems required for payments or invoicing | | | | | | | | Performance indicator | | Performance Targets (T) & Provisional Performance Targets (P) | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met | | |
| | | | | | | | | | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | | | | | 2018/19(P) | 2019/20(P) |
| | | | | | | | | Customer Satisfaction - IT incident resolution | | 90% | 90% | 90% | 90% | 90% | 90% | High | Monthly | Outcome | Reduced customer service |
| | | | | | | | | First time fix rate for IT Service Desk | | 64% | 68% | 70% | 72% | 75% | 75% | High | Monthly | Outcome | Reduced service delivery |
| | | | | | | | | Health and Safety workplace inspections completed on time | | 60 | 60 | 60 | 60 | 60 | 60 | High | Quarterly | Outcome | Breach statutory duty |
| | | | | | | | | Income - External Fees | | 225,000 | 270,000 | 285,000 | 320,000 | 320,000 | 320 | High | Quarterly | Output | Loss of income |
| | | | | | | | | Invoices paid within 30 days from invoice date | | 93% | 95% | 95% | 95% | 95% | 95% | High | Monthly | Business critical | Increased costs |
| | | | | | | | | Invoices paid within 30 days of receipt by LBM | | 93% | 95% | 95% | 95% | 95% | 95% | High | Monthly | Business critical | Reduced service delivery |
| | | | | | | | | Number of staff working from Civic Centre | | 1,275 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | High | Quarterly | Outcome | Underused resource |
| | | | | | | | | Repairs & Maintenance ratio of Reactive to Planned | | 40/60 | 30/70 | 30/70 | 30/70 | 30/70 | 30/70 | High | Annual | Outcome | Increased costs |
| Safety Services - Provides Health and Safety, Emergency Planning and Business Continuity services across the Council as required by duties imposed under the Health and Safety At Work Etc. Act 1974, The Management of Health and Safety At Work Regulations 1999, The Civil Contingencies Act 2004 and all sister regulations. | | | | | | | | New referrals processed within 21 days | | N/A | 90% | 92% | 93% | 94% | 95% | High | Monthly | Outcome | Reduced customer service |
| | | | | | | | | Client Post Office voucher acc't balance falls below £2.5K | | N/A | 0 | 0 | 0 | 0 | 0 | Low | Monthly | Outcome | Customer hardship |
| | | | | | | | | CO2 emissions corporate buildings incl (from 2016) leisure centres (tonnes) | | 4,100 | 3,900 | 8045.36 | TBC | TBC | TBC | Low | Annual | Output | Environmental issues |
| | | | | | | | | | | | | | | | | | | | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | | <div>2016/17 Expenditure</div> <div>2016/17 Income</div> | | | | | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | | | | | | | | | | | | |
| Expenditure | 12,858 | 14,098 | 12,238 | 12,510 | 12,218 | 11,699 | 11,775 | | | | | | | | | | | | |
| Employees | 3,923 | 4,344 | 3,655 | 3,738 | 3,553 | 3,423 | 3,423 | | | | | | | | | | | | |
| Premises | 2,669 | 2,718 | 2,645 | 2,674 | 2,558 | 2,127 | 2,161 | | | | | | | | | | | | |
| Transport | 35 | 30 | 36 | 29 | 29 | 29 | 30 | | | | | | | | | | | | |
| Supplies & Services | 2,914 | 3,098 | 2,812 | 2,547 | 2,552 | 2,590 | 2,628 | | | | | | | | | | | | |
| 3rd party payments | 206 | 40 | 210 | 326 | 330 | 333 | 336 | | | | | | | | | | | | |
| Support services | 875 | 1,631 | 837 | 875 | 875 | 875 | 875 | | | | | | | | | | | | |
| Depreciation | 2,236 | 2,236 | 2,045 | 2,322 | 2,322 | 2,322 | 2,322 | | | | | | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | | | | | | | | | | | | |
| Income | 11,829 | 13,055 | 12,161 | 12,193 | 12,193 | 12,193 | 12,193 | | | | | | | | | | | | |
| Government grants | | | | | | | | | | | | | | | | | | | |
| Reimbursements | | 20 | | | | | | | | | | | | | | | | | |
| Customer & client receipts | 2,315 | 2,810 | 2,406 | 2,469 | 2,469 | 2,469 | 2,469 | | | | | | | | | | | | |
| Recharges | 9,514 | 10,225 | 9,755 | 9,724 | 9,724 | 9,724 | 9,724 | | | | | | | | | | | | |
| Reserves | | | | | | | | | | | | | | | | | | | |
| Capital Funded | | | | | | | | | | | | | | | | | | | |
| Council Funded Net Budget | 1,029 | 1,043 | 77 | 317 | 24 | (494) | (418) | | | | | | | | | | | | |
| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | | | | | | | | | | | | |
| Information Technology | | 1,155 | 928 | 1,525 | 2,021 | 785 | 1,230 | | | | | | | | | | | | |
| Facilities Management | | 1,016 | 640 | 1,316 | 2,700 | 1,450 | 1,075 | | | | | | | | | | | | |
| Invest to Save | | 221 | 1,073 | 1,300 | 300 | 300 | 300 | | | | | | | | | | | | |
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| | 0 | 2,392 | 2,641 | 4,141 | 5,021 | 2,535 | 2,605 | | | | | | | | | | | | |
| <div>Summary of major budget etc. changes</div> <div>2016/17</div> <p>CS5 Review procurement of support , maintenance & license contracts 50k, CS7 Re-procurement of mobile telephone contract 20k CS8 Reduction of WAN costs 20k, CS10 Outsourcing of service 20k , CS12 Deletion of Information governance post 37k, CS16 (deferred from 14/15)Surrender overtime budget 35k, CS23 Outsourcing building services and security services 50k, CS28 Amalgamation of intruder alarm contract 20k, CSD2 Energy Savings 150K, CSD3 Rationalise ITSD support and maintenance contracts 86k CSD4 Rationalise FM buildings repair and maintenance budgets 15k, CSD5 Increase income generation at Chaucer Centre 40k CSD6 Vehicle reduction 5k</p> <div>2017/18</div> <p>CS70 Apply admin charge to customer requesting hard copy paper invoice 35k CS71 Deletion of two posts 85k CS72 Consolidation of budgets 34k CSD2 Energy savings 150k CSD7 Restructure Print and Post service and delete two posts 47k CS2015-09 Restructure of Safety Services and Emergency Planning 18k</p> <div>2018/19</div> <p>CS2015-03 Restructure of Transactional Services team 100k CS2015-09 Restructure of Safety Services and Emergency Planning 30k CS2015-10 Facilities Management - Energy 'Invest to Save' Initiatives 465K</p> <div>2019/20</div> | | | | | | | | | | | | | | | | | | | |
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-1,500

2014

2015

2016

2017

2018

2019

Budget

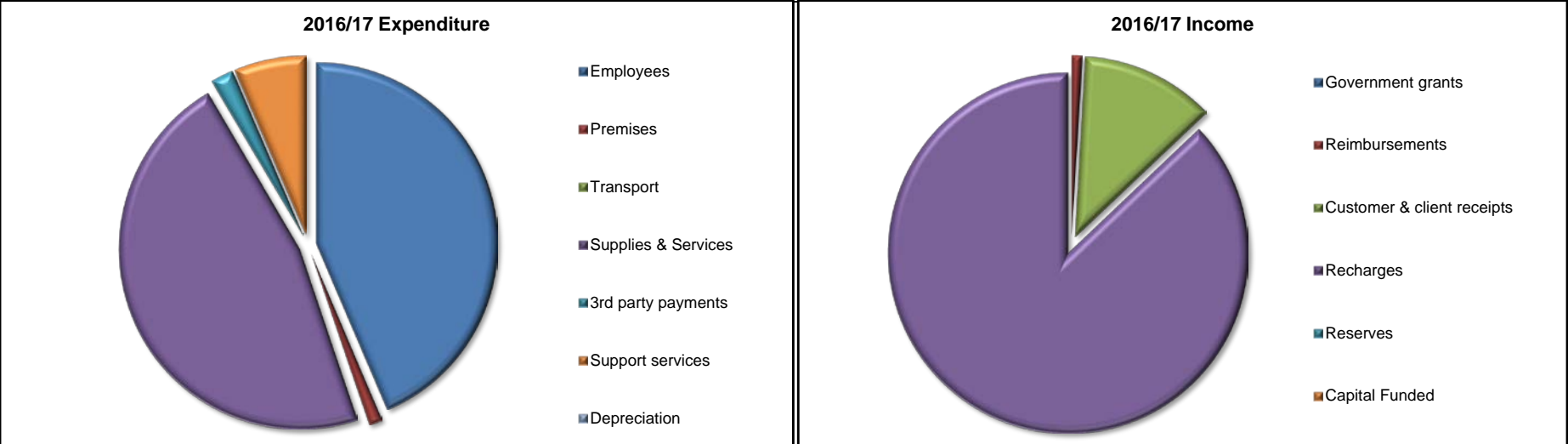
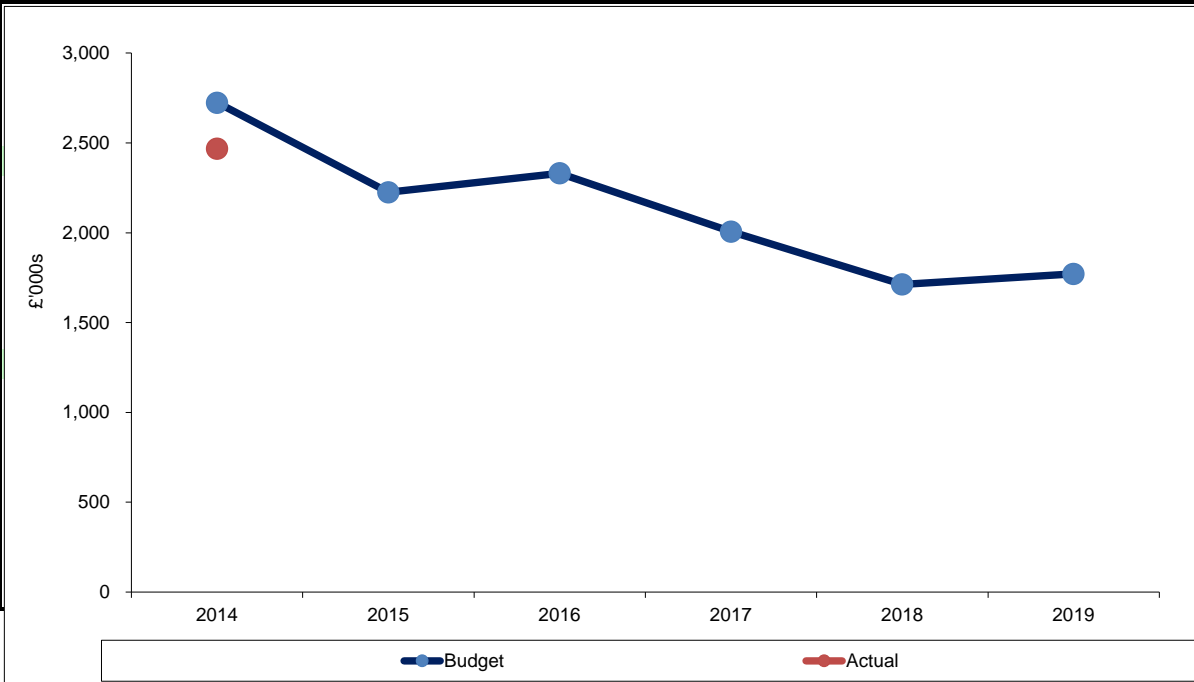
Actual

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | |
|---|------------|------------------|--|-------------------------------|--|------------|--------|-------|
| Infrastructure and Transactions | | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | | |
| | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: | Implementation of IT Strategy & Plan | Improved efficiency (savings) | | 3 | 2 | 6 |
| Start date | 01/11/2014 | Project Details: | Implementation of corporate IT Strategy & Plan which has been developed on the basis of information derived from departmental Target Operating Models. | | | | | |
| End date | 31/03/2017 | | | | | | | |
| Project 2 | | Project Title: | Digital Archiving of existing paper records | Improved efficiency (savings) | | 1 | 2 | 2 |
| Start date | 01/06/2014 | Project Details: | Scanning of paper records into a digital format which will be prioritised in order to support the roll out of the Flexible Working Programme. This project also links directly to the Customer Contact programme which includes the implementation of a new Electronic Documents and Records Management System (EDRMS). | | | | | |
| End date | 31/03/2018 | | | | | | | |
| Project 3 | | Project Title: | Upgrading of IT Disaster Recovery Arrangements | Risk reduction and compliance | | 2 | 3 | 6 |
| Start date | 01/12/2013 | Project Details: | Replacement of Storage Area Network (SAN) equipment and associated hardware to provide improved disaster recovery arrangements for the Councils main IT systems and minimise any potential loss of service in the event of a major incident or IT equipment failure. | | | | | |
| End date | 30/09/2016 | | | | | | | |
| Project 4 | | Project Title: | Flexible Working Programme | Improved efficiency (savings) | | 2 | 2 | 4 |
| Start date | 01/04/2012 | Project Details: | The Flexible Working Programme is the innovative use of modern IT technology, infrastructure and office accommodation to enable the council to deliver services in the most efficient and cost effective manner possible. | | | | | |
| End date | 30/06/2016 | | | | | | | |
| Project 5 | | Project Title: | Refurbishment of 4 main passenger lifts at Civic Centre | Risk reduction and compliance | | 1 | 2 | 2 |
| Start date | 01/01/2014 | Project Details: | Project to refurbish the 4 main passenger lifts at the Civic centre which were installed in 1960 and that are now 'Life Expired' in terms of maintenance and obtaining spare parts in the event of a breakdown or mechanical failure. The project is essential to ensure that the premises are safe and compliant with statutory requirements. | | | | | |
| End date | 30/06/2016 | | | | | | | |
| Project 6 | | Project Title: | Energy "Invest to Save" Initiatives | Improved efficiency (savings) | | 1 | 1 | 1 |
| Start date | 01/04/2007 | Project Details: | Completion of a range of projects across the councils entire portfolio of properties which will reduce energy consumption and associated CO2 emissions and that are designed to have a maximum financial pay back of between 7 and 10 years. | | | | | |
| End date | 01/04/2018 | | | | | | | |
| Project 7 | | Project Title: | Process review of Accounts Payable and Receivable functions | Improved efficiency (savings) | | 1 | 2 | 2 |
| Start date | 01/04/2015 | Project Details: | Review the Councils current processes and procedures for managing the AR and AP functions in order to maximise any potential efficiency gains and cost reductions that are available through the development and use of E-Billing and electronic invoicing. | | | | | |
| End date | 31/03/2017 | | | | | | | |
| Project 8 | | Project Title: | Continuation of work on the Locations Layer of the Corporate TOM | Risk reduction and compliance | | 2 | 2 | 4 |
| Start date | 01/10/2015 | Project Details: | Works to develop an online corporate asset register covering all of the property related assets owned and operated by the council which will be an essential element of a larger piece of work relating to the longer term strategic management of property and assets across the authority. | | | | | |
| End date | 31/03/2017 | | | | | | | |
| Project 9 | | Project Title: | Online Safety Inspection system | Risk reduction and compliance | | 2 | 2 | 4 |
| Start date | 01/04/2016 | Project Details: | Development of an 'Online' data capture system for recording and uploading information from safety inspections directly into a back office system to reduce the double handling of data. | | | | | |
| End date | 31/03/2017 | | | | | | | |

| Resources | Planning Assumptions | | | | | | | | The Corporate strategies your | | | | | |
|---|---|--|------------|----------------|------------|----------------|------------|-----------------|-------------------------------|-----------------------|---|----------------|--|--------------------------------|
| Cllr Mark Allison Cabinet Member for Finance | Anticipated demand | 2014/15 | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | service contributes to |
| Enter a brief description of your main activities and objectives below Resources is made up of five major areas of activity: Accountancy - manage financial health of the council through advice & support to officers and Members, production of council's financial accounts, revenue & budget setting, profiling and reporting & monitoring. Over the next four years we will transform by improving use of technology /reviewing processes /how information is stored in our financial systems. Business planning - manage Financial Strategy & Capital Strategy/Monitoring, Financial Systems Liaison & Development, Business & Service Planning, Performance Management (PM) & Risk Management, developing key business metrics to help services transform & facilitate multi-year planning, target resources, manage risk & integrate financial, business & performance information. Over the next four years we will improve robustness of our systems & projections, challenge services to improve their performance management to facilitate transformation, data quality and risk management Commercial & procurement - The purpose of the Commercial Services and Procurement team is to be a strategic centre of excellence for procurement and contract management, guidance, training and advice including ownership of the Council's Procurement Strategy, involvement in key tender processes, identification of savings opportunities and commercial benefits, compliance with EU and UK procurement legislation, benchmarking and best practice and ownership of the contracts register. Policy and strategy - coordinate corporate strategy & policy; ensure effective & high-quality policy development across the council; promote a positive relationship with the voluntary and community sector; ensure the council meets its responsibilities under equalities & community cohesion policy; lead on effective partnership working by managing the local strategic partnership, including leading on the Stronger Communities agenda and delivery of the Sustainable Community Strategy; and provide a secretariat function for CMT and LSG. Treasury and pensions - to manage the Council's treasury (including the day to day cashflow, banking and cash), pension and insurance funds and oversee the contract for pensions administration. | Revenue/Capital Budget Managers | 147/23 | | 147/23 | | 147/23 | | 147/23 | | 147/23 | | 147/23 | | Asset Management Plan |
| | Voluntary Sector Organisations Supported | 150+ | | 150+ | | 150+ | | 150+ | | 150+ | | 150+ | | Capital Programme |
| | Budget, Service, Performance & Risk Setting | 8 Reports | | 8 Reports | | 8 Reports | | 8 Reports | | 8 Reports | | 8 Reports | | Central Government |
| | Budget, Service, Performance & Risk Monitoring | 8 Reports | | 8 Reports | | 8 Reports | | 8 Reports | | 8 Reports | | 8 Reports | | Corp Equality Scheme |
| | Budget, Service, Performance & Risk Closing | 2 Reports | | 2 Reports | | 2 Reports | | 2 Reports | | 2 Reports | | 2 Reports | | Corp Procurement Strategy |
| | Anticipated non financial resources | 2014/15 | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | Medium Term Financial Strategy |
| | Staff (FTE) | 64.2 | | 63.3 | | 54.6 | | 51.6 | | 45.6 | | 57.2 | | Risk Management Strategy |
| | Staff (Trainees) | 4 | | 4 | | 4 | | 4 | | 3 | | 4 | | Treasury Management Strategy |
| | Staff (Apprentices) | 2 | | 2 | | 0 | | 0 | | 0 | | 0 | | Voluntary Sector Strategy |
| | | | | | | | | | | | | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met | | | |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | | | | |
| | Accuracy of P8 Revenue Forecast (compared to outturn) | 90% | 90% | 90% | 90% | | | High | Annual | Outcome | Poor decision making | | | |
| | Accuracy of P8 Capital Forecast | 90% | 90% | 90% | 90% | | | High | Annual | Outcome | Poor decision making | | | |
| | Number of Adjustments to Draft Accounts | 0 | 0 | 0 | 0 | | | Low | Annual | Business critical | Government intervention | | | |
| | % of contracts over threshold overseen by Procurement Board | 80% | 80% | 80% | 80% | | | High | Quarterly | Quality | Poor decision making | | | |
| | Action plans in place for 'red' risks | 90% | 90% | 90% | 90% | | | High | Quarterly | Outcome | Poor decision making | | | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 8,744 | 8,916 | 9,068 | 8,361 | 8,052 | 7,775 | 7,833 |
| Employees | 3,821 | 4,191 | 4,071 | 3,645 | 3,390 | 3,074 | 3,074 |
| Premises | 102 | 102 | 100 | 100 | 101 | 103 | 104 |
| Transport | 4 | 7 | 4 | 2 | 2 | 2 | 2 |
| Supplies & Services | 4,032 | 4,243 | 4,110 | 3,906 | 3,850 | 3,887 | 3,943 |
| 3rd party payments | 178 | 143 | 180 | 171 | 171 | 172 | 172 |
| Support services | 608 | 230 | 602 | 537 | 537 | 537 | 537 |
| Depreciation | | | 0 | 0 | 0 | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 6,021 | 6,448 | 6,843 | 6,030 | 6,046 | 6,062 | 6,062 |
| Government grants | | 9 | | 0 | 0 | 0 | 0 |
| Reimbursements | 40 | 82 | 54 | 54 | 70 | 86 | 86 |
| Customer & client receipts | 753 | 1,141 | 753 | 726 | 726 | 726 | 726 |
| Recharges | 5,227 | 5,217 | 6,036 | 5,250 | 5,250 | 5,250 | 5,250 |
| Reserves | 0 | | 0 | 0 | 0 | 0 | 0 |
| Capital Funded | 0 | | 0 | 0 | 0 | 0 | 0 |
| Council Funded Net Budget | 2,724 | 2,468 | 2,225 | 2,331 | 2,006 | 1,713 | 1,771 |

| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|---------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Financial System re-engineering | | | 454 | 108 | | | |
| Civica Icon | | | 18 | 107 | | | |
| Acquisitions Budget | | | 1,497 | 500 | | | |
| Transformation Budgets | | | 8 | 0 | | | |
| Capital Bidding Fund | | | 1,357 | 482 | | | |
| | 0 | 0 | 3,334 | 1,197 | 0 | 0 | 0 |



Summary of major budget etc changes 2016/17

MTFS/Business Planning: Throughout the financial year officers within the team will be compiling the Business Plan for 2017-21, this will include provision of a timetable for compilation and horizon scanning and evaluating the impact of any legislative changes. The modelling assumptions will be reviewed and detailed scenario planning undertaken.

Financial System: The new financial system and the adoption of new streamlined processes will facilitate the further savings below.

Savings: Savings of 25k will be delivered by reduction of one posts (CS46) (£78k of the savings have been deferred), and non salary budgets savings 98k through improved processes, consolidation of budgets and review of recharges (CS64, 65 and 67). Further savings of 16k will come through increased income (CSD20), 42k from the rephasing of existing savings (CSD21) and 130k from reductions in running costs and consultancy budgets (CSD23 and 24). An increased charge to the Pension Fund £20k (CSD25) and the deletion of one post in Policy (CSD47) will bring a further 50k of savings.

2017/18

MTFS/Business Planning: Throughout the financial year officers within the team will be compiling the Business Plan for 2018-22, this will include provision of a timetable for compilation and horizon scanning and evaluating the impact of any legislative changes. The modelling assumptions will be reviewed and detailed scenario planning undertaken.

Savings: Savings of £78k previously deferred will be delivered from the deletion of two posts (CS46). A review of recharges to the Pension fund will make savings of 47k (CS6). Increased income of 16k (CSD20) and a reduction in running costs 3k (CSD23). One Business Partner to be deleted 78k (CSD26). Reduction of LGCS budget to match contribution 81k (CSD46)

2018/19

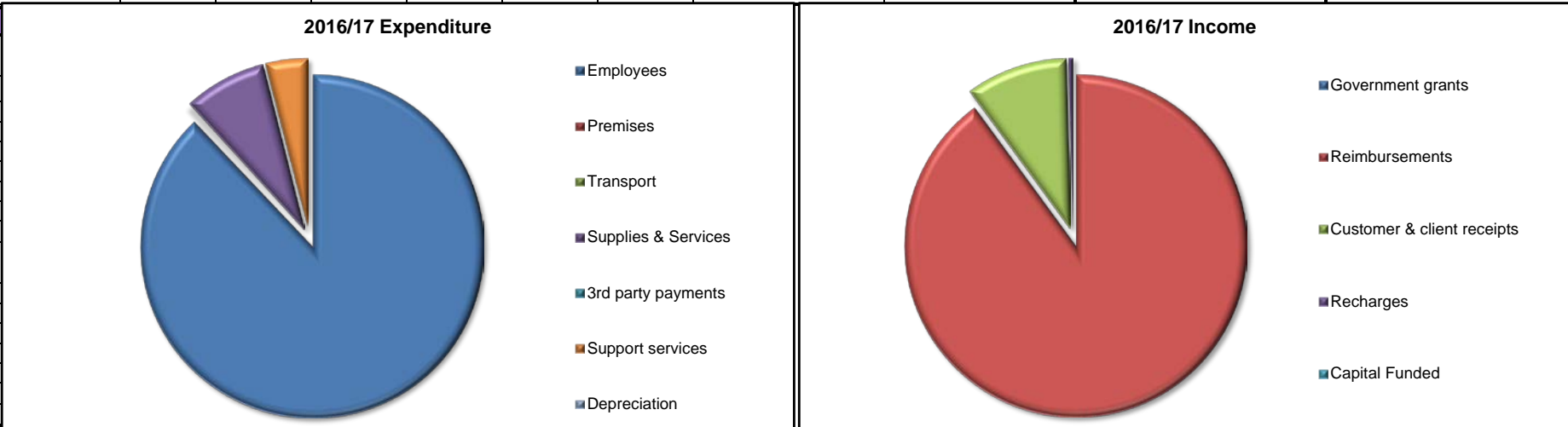
Savings: Savings of 100k will made from further restructuring of the service (CSD27), and a further 16k of increased income (CSD20). Further review of staffing budgets across the division saving 216k (CS2015-05). Reduction of 19k in Corporate Grants budget (CS2015-11)

2019/20

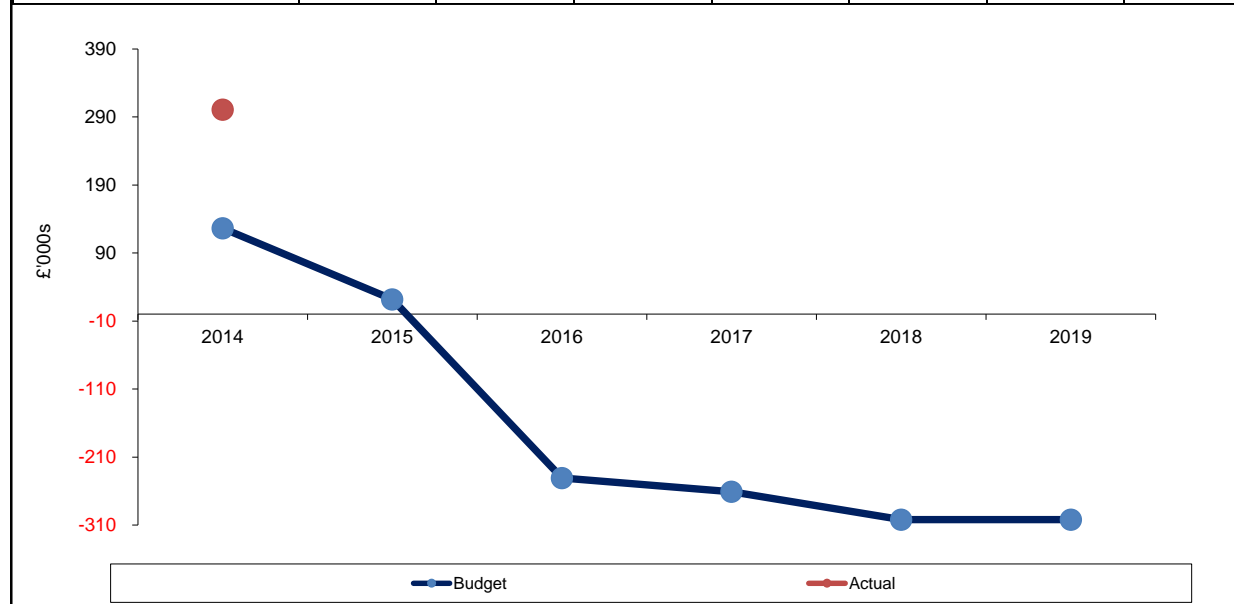
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|------------|--|---|--|--|--|--|------------|--------|-------|
| Resources | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECT BENEFIT | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | Evaluation of future funding levels | | Risk reduction and compliance Requires considerable horizon spotting activity a performance indicator would be developed comparing the estimated grant levels compared to those actually received. | | | 2 | 2 | 4 |
| Start date | 01/04/2015 | | Analysis of all relevant information relating to local government finance. This will include details provided in annual Local Government Finance Settlements, Annual Budgets, Spending Reviews and other financial information published by the Government. This information is incorporated into the Council's MTFS and updated as part of annual Budget Setting Procedures. Modelling of the retained NNDR system will be undertaken along with sensitivity analysis. | | | | | | | |
| End date | 31/03/2020 | | | | | | | | | |
| Project 2 | | Project Title: Project Details: | Financial systems re-engineering programme | | Improved effectiveness Two performance indicators are likely to be developed around the time taken to produce reporting information compared to now and the system downtime compared to now | | | 2 | 3 | 6 |
| Start date | 01/08/2013 | | Procurement of a single integrated financial system to replace the suite of products that are current used to provide GL, AP, P2P & AR functions. This will involve a new chart of accounts and new ways of working, driving efficiencies throughout the organisation. The potential for joint working with neighbour boroughs is currently being investigated. Current estimates of the Go live date are 31/03/2016 - project length allows for post implementation review | | | | | | | |
| End date | 30/09/2016 | | | | | | | | | |
| Project 3 | | Project Title: Project Details: | Develop and implement whole life costing for capital projects | | Improved effectiveness | | | 3 | 2 | 6 |
| Start date | 01/09/2016 | | This project will be undertaken in four stages 1) Develop a template to capture appropriate information 2) Pilot the template on two selected schemes 3) Amend the template 4) Apply the temple to selected schemes | | | | | | | |
| End date | 31/03/2018 | | | | | | | | | |
| Project 4 | | Project Title: Project Details: | Improve joint finance and business planning | | Improved effectiveness | | | 2 | 2 | 4 |
| Start date | 01/04/2016 | | The project requires the quarterly update of service plans scheduled to start with September 2014 information following the implementation of the new performance and risk management system | | | | | | | |
| End date | 31/03/2020 | | | | | | | | | |
| Project 5 | | Project Title: Project Details: | Evaluation of different models of funding the capital programme | | Improved effectiveness A model has been developed but it needs refining to facilitate option appraisal, produce clear outcomes that can easily be understood and increase the funding streams. The performance of this work will be judged directly by the AD Resources and Director of Corporate Services. | | | 2 | 2 | 4 |
| Start date | 01/07/2014 | | In recent years there has been no need to borrow externally to fund capital expenditure, it is anticipated that some external funding will be needed towards the end of the current planning period and therefore a detailed consideration of all reasonable options needs to be done, including leasing, renting and borrowing or any other suitable methods of funding capital expenditure. | | | | | | | |
| End date | 31/03/2020 | | | | | | | | | |
| Project 7 | | Project Title: Project Details: | Capital - Benefits Realisation | | Improved effectiveness | | | 2 | 2 | 4 |
| Start date | 01/09/2016 | | In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now. Outstanding work on Benefits Realisation to be completed | | | | | | | |
| End date | 31/03/2018 | | | | | | | | | |
| Project 8 | | Project Title: Project Details: | Recharge Review | | Improved efficiency (savings) | | | 3 | 2 | 6 |
| Start date | 01/04/2015 | | Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2016/18 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system. | | | | | | | |
| End date | 31/03/2018 | | | | | | | | | |
| Project 9 | | Project Title: Project Details: | Infrastructure Assets Accounting | | Improved effectiveness The computer systems used to record information will be reviewed by Internal Audit and assessed for the adequacy asap. | | | 1 | 2 | 2 |
| Start date | 31/03/2016 | | Legislative requirement for asset accounting of highways and associated assets which will have a huge impact on our balance sheet. Financial officers will need to work closely with technical staff within Environment and Regeneration to gather the required information for account closure and presentation. | | | | | | | |
| End date | 31/03/2018 | | | | | | | | | |
| Project 10 | | Project Title: Project Details: | Pilot Early closure of Accounts | | Improved effectiveness Current performance indicators will be adjusted for this. | | | 1 | 3 | 3 |
| Start date | 01/07/2015 | | For the financial year 2017/18 the Authority will have to close its accounts approximately six weeks earlier. This will require very careful planning and will require a different approach to be adopted. The authority is piloting earlier account closure over the next two financial years in preparation for 2017/18 | | | | | | | |
| End date | 31/07/2018 | | | | | | | | | |

[illegible]

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 4,902 | 7,009 | 4,945 | 4,682 | 4,662 | 4,621 | 4,621 |
| Employees | 4,252 | 4,538 | 4,317 | 4,117 | 4,117 | 4,117 | 4,117 |
| Premises | 5 | 2 | 5 | 5 | 5 | 5 | 5 |
| Transport | 9 | 14 | 9 | 9 | 9 | 9 | 9 |
| Supplies & Services | 446 | 2,249 | 426 | 366 | 346 | 305 | 305 |
| 3rd party payments | | 18 | | | | | |
| Support services | 190 | 189 | 188 | 185 | 185 | 185 | 185 |
| Depreciation | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 4,776 | 6,709 | 4,924 | 4,923 | 4,923 | 4,923 | 4,923 |
| Government grants | | | | | | | |
| Reimbursements | 4,280 | 5,618 | 4,428 | 4,428 | 4,428 | 4,428 | 4,428 |
| Customer & client receipts | 476 | 1,061 | 476 | 476 | 476 | 476 | 476 |
| Recharges | 20 | 29 | 20 | 20 | 20 | 20 | 20 |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 126 | 301 | 22 | (241) | (261) | (302) | (302) |



| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-----------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
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| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



| Summary of major budget etc. changes | |
|--|--|
| 2016/17 | |
| CS73 £60k savings for Merton are required. Further savings for Sutton, Kingston and Richmond may be required. | |
| 2017/18 | |
| CS73 £20k savings for Merton are required. Further savings for Sutton, Kingston and Richmond may be required. | |
| 2018/19 | |
| CS2015-12 £41,000 savings for Merton from expansion of service. Further savings for Sutton, Kingston and Richmond may be required. | |
| 2019/20 | |
| | |

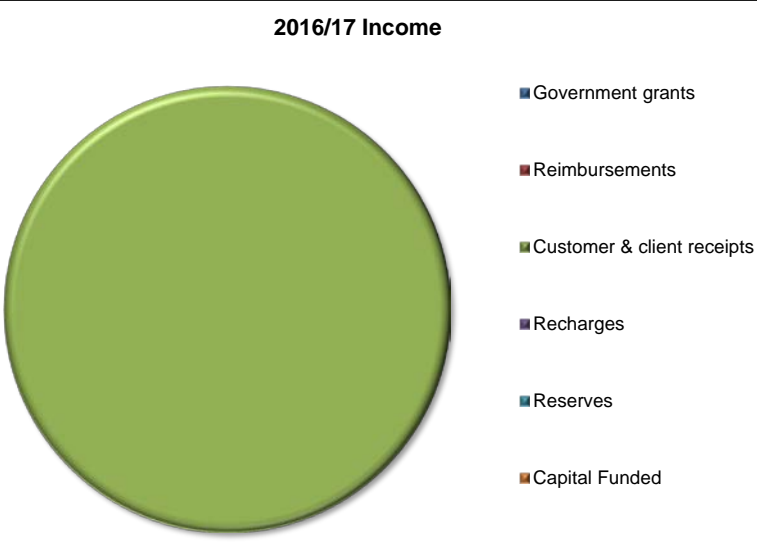
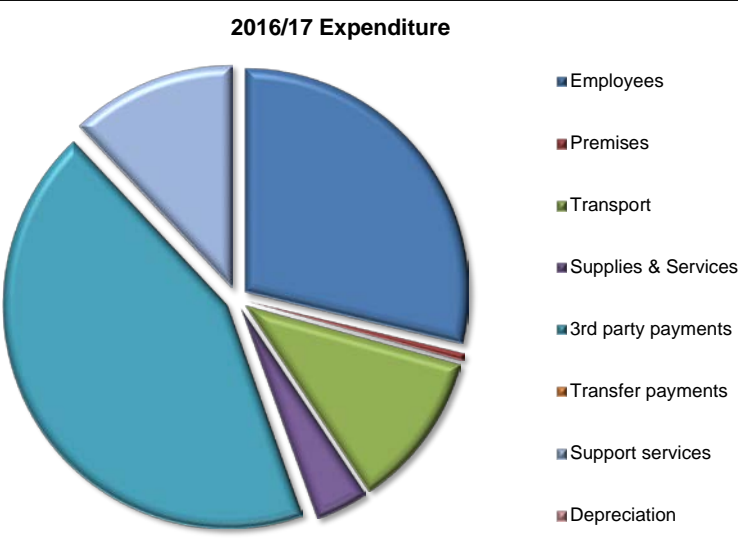
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|------------|--|--|-------------------------------|-------------------------|--|---|------------|--------|-------|
| Legal Services | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECTS BENEFITS | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | Shared service To embed the expanded shared service, to identify and exploit the efficiencies of the new service in order to improve the customer experience and to identify further savings | Improved customer experience | | | 2 | 2 | 4 | |
| Start date | 01/04/2014 | | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 2 | | Project Title: Project Details: | Smarter Working To ensure the service is maximising the use of IT systems and software in order to enable mobile working across four authorities, reduce costs and increase the effectiveness and efficiency of the officers in the service | Improved effectiveness | | | 2 | 1 | 2 | |
| Start date | 01/04/2014 | | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 3 | | Project Title: Project Details: | Delivering Savings To deliver £80,000 of savings to Merton and such savings as required by Sutton, Kingston and Richmond | Improved efficiency (savings) | | | 2 | 2 | 4 | |
| Start date | 01/04/2016 | | | | | | | | | |
| End date | 31/03/2018 | | | | | | | | | |
| Project 4 | | Project Title: Project Details: | Future Model To consider whether the practice needs to apply to become an Alternative Business Structure in order to deliver legal services to council services provided by external third parties. If so, to set up ABS. | Economic outcomes | | | 2 | 2 | 4 | |
| Start date | 01/02/2016 | | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 5 | | Project Title: Project Details: | Future Model To evaluate the impact on the shared service of Richmond entering into a partnership with Wandsworth, including the potential expansion of the shared legal service to incorporate Wandsworth Legal Services. If approved to deliver the expanded shared service with Wandsworth | Improved effectiveness | | | 3 | 2 | 6 | |
| Start date | 01/04/2015 | | | | | | | | | |
| End date | 31/03/2017 | | | | | | | | | |
| Project 6 | | Project Title: Project Details: | Future Model To consider the impact on the service of all shared service and alternative delivery models entered into by Merton and partner authorities. | Improved effectiveness | | | 3 | 2 | 6 | |
| Start date | 01/04/2015 | | | | | | | | | |
| End date | 31/03/2018 | | | | | | | | | |

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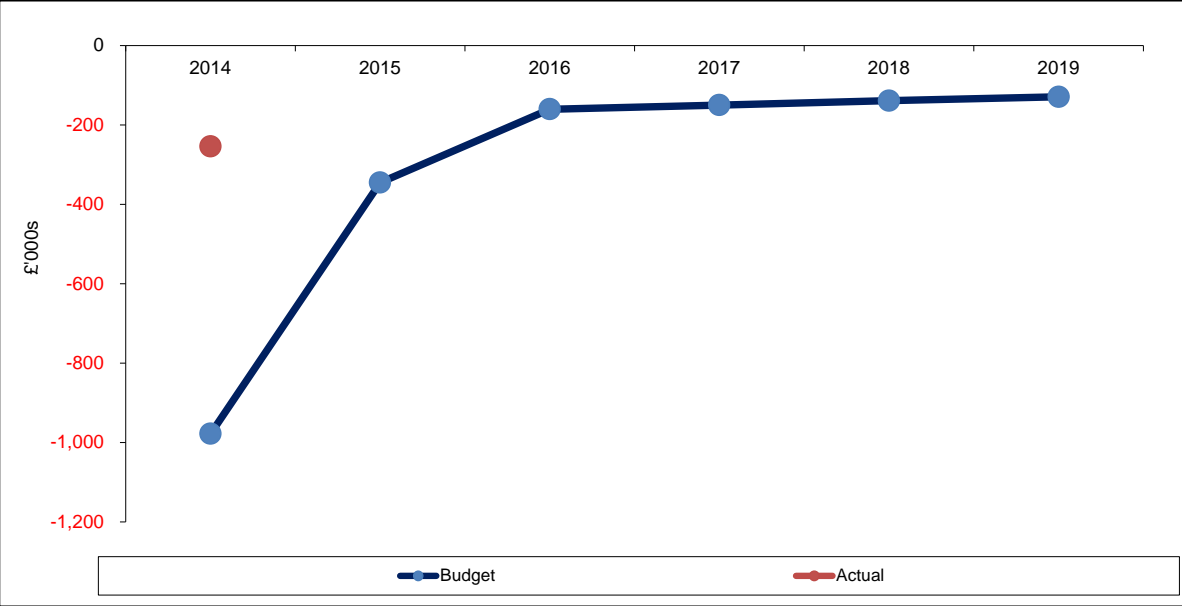
Environment & Regeneration

| Commercial Services (Waste Operations) | Planning Assumptions | | | | | | | | The Corporate strategies your | | |
|---|-------------------------------------|---|------------|------------|------------|------------|----------|--------------------------------|-------------------------------|----------------------------------|-------------------|
| Cllr Judy Saunders Cabinet Member for Performance & Implementation | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | service contributes to | | | |
| Enter a brief description of your main activities and objectives below | Residual contracts | 1183 | 1000 | 1100 | 1200 | 1300 | 1300 | Waste Management Plan | | | |
| Commercial Waste & Recycling, Collection & Disposal directly from local businesses. Under government legislation the council has a duty to arrange for the collection of commercial waste when requested to do so. The Act defines commercial waste as: "waste from premises used wholly or mainly for the purposes of a trade or business or the purposes of sport, recreation or entertainment". | Dry recycling contracts | 993 | 600 | 700 | 800 | 800 | 800 | Climate Change Strategy | | | |
| | | | | | | | | Medium Term Financial Strategy | | | |
| | | | | | | | | | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | Staff (FTE) | 13.2 | 13.2 | 11.2 | 11.2 | 11.2 | 11.2 | | | | |
| | Transport | 4 | 4 | 4 | 4 | 4 | 4 | | | | |
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| Objectives - to make both services more efficient, cost effective and competitive in the commercial market - be more reactive to seasonal demands - become competitive in both commercial waste , looking at the marketing of the services and pricing structure. | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met | |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | | | | | 2019/20(P) |
| | Total Income from commercial waste | £1.5m | £1.2m | £1.25m | £1.3m | £1.35m | £1.3m | High | Monthly | Business critical | Loss of income |
| | Customer satisfaction survey % | 85 | 87 | 89 | 91 | 91 | 91 | High | Annual | Outcome | Reputational risk |
| | | | | | | | | | | | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 997 | 1,023 | 987 | 1,090 | 1,100 | 1,111 | 1,121 |
| Employees | 360 | 240 | 367 | 313 | 313 | 313 | 313 |
| Premises | 6 | | 6 | 6 | 6 | 6 | 6 |
| Transport | 126 | 97 | 126 | 124 | 126 | 128 | 131 |
| Supplies & Services | 75 | 71 | 62 | 42 | 43 | 44 | 44 |
| 3rd party payments | 258 | 439 | 262 | 474 | 481 | 489 | 496 |
| Transfer payments | | | | | | | |
| Support services | 172 | 176 | 153 | 131 | 131 | 131 | 131 |
| Depreciation | 0 | 0 | 11 | 0 | 0 | 0 | 0 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 1,975 | 1,277 | 1,332 | 1,250 | 1,250 | 1,250 | 1,250 |
| Government grants | | | | | | | |
| Reimbursements | 0 | 0 | 7 | 0 | 0 | 0 | 0 |
| Customer & client receipts | 1,975 | 1,277 | 1,325 | 1,250 | 1,250 | 1,250 | 1250 |
| Recharges | | | | | | | |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | (978) | (254) | (345) | (160) | (150) | (139) | (129) |



| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
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| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

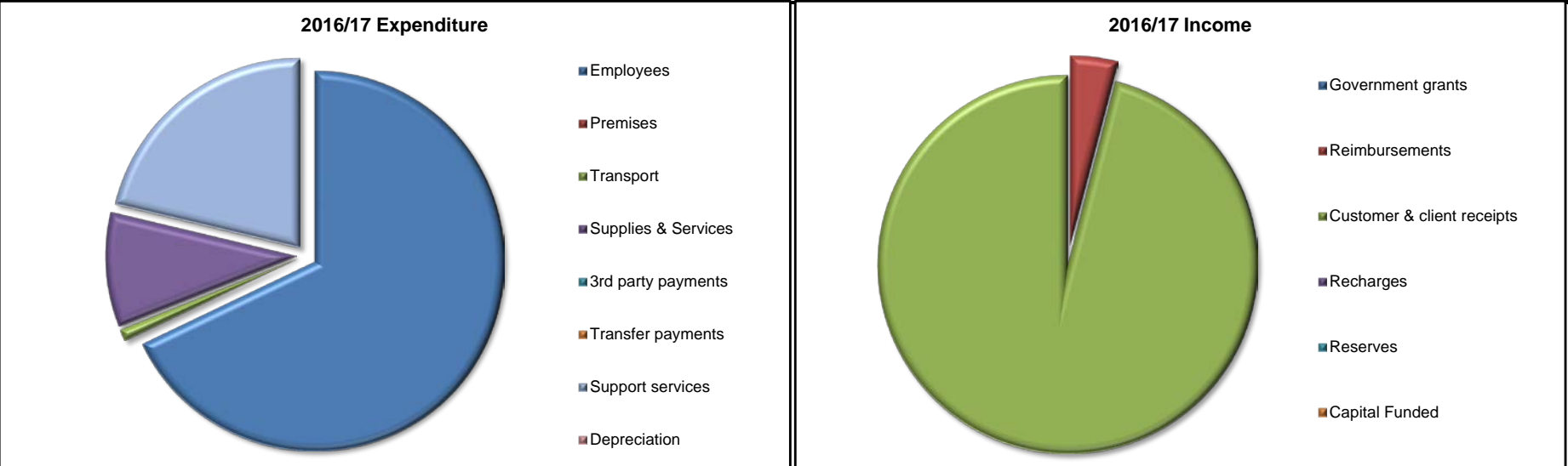


| Summary of major budget etc. changes | |
|--------------------------------------|--|
| 2016/17 | |
| E&R33 = (£75k) | |
| 2017/18 | |
| 2018/19 | |
| 2019/20 | |

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | |
|---|------------|--|--|------------------------|---|------------|--------|
| Commercial Services (Waste Operations) | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | |
| | | | | | | Likelihood | Impact |
| Project 1 | | Project Title: Project Details: | Introduce timed commercial waste collections in town centre Colliers Wood To improve the appearance of the Town centre area following on from the successful implementation into Wimbledon Town Centre. | Improved effectiveness | 2 | 2 | 4 |
| Start date | 01/04/2015 | | | | | | |
| End date | 01/04/2017 | | | | | | |
| Project 2 | | Project Title: Project Details: | Sales and marketing plan To increase the income within the Commercial waste area and improve the Branding of this important service area. | Economic outcomes | 2 | 2 | 4 |
| Start date | 01/04/2015 | | | | | | |
| End date | 01/04/2017 | | | | | | |

| Development and Building Control | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | | |
|---|---|---|------------|------------|------------|------------|------------|--|-------------------|--------------------------|----------------------------------|
| Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| Enter a brief description of your main activities and objectives below | Enforcement cases | 750 | 780 | 800 | 800 | 800 | 800 | Local Development Framework | | | |
| Building Control Building Control competes with approved Inspectors.(AIS). We provide a Building Control Service in competition with AIS to deliver high quality Building Control advice and regulation. We also regulate safety of structures and also sports grounds. Development control Promote regeneration by assessing and determining planning applications against the adopted policies for the built environment contained within the council's Core Strategy. Continue to impliment the Mayoral, Community Infrastructure Levy (CIL) charging regime. Objectives continue to concentrate on the commercialisation of the Building Control (BC) service and maintain or improve the market share - review the pre-application charging regime for Development Control (DC) and to investigate whether additional income generation is possible especially through PPA's. - impliment mobile/flexible working to improve efficiency -as part of sustainable communities to enable a comprehensive development management process to encourage regeneration. -review the possibility of shared services with neighbouring boroughs. - re-procure the M3 database | Planning applications (economy dependant) | 2500 | 2600 | 2700 | 2800 | 2800 | 2850 | Local Development Framework | | | |
| | BC applications (economy dependant) | 1700 | 1750 | 1750 | 1800 | 1800 | 1800 | Economic Development Strategy | | | |
| | Tree applications | 620 | 640 | 660 | 670 | 670 | 670 | Local Development Framework | | | |
| | Pre applications | 105 | 110 | 115 | 120 | 125 | 130 | Housing Strategy | | | |
| | Planning performance agreements | 3 | 7 | 12 | 14 | 16 | 18 | Local Development Framework | | | |
| | Prior approvals (permitted development) | 580 | 600 | 620 | 640 | 640 | 640 | Local Development Framework | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | Staff (FTE) | 37 | 36 | 38 | 25 | 25 | 25 | | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| % Major applications processed within 13 weeks | 60 | 55 | 55 | 55 | 55 | 55 | High | Monthly | Quality | Reduced customer service | |
| % Minor applications processed within 8 weeks | 65 | 60 | 60 | 60 | 60 | 60 | High | Monthly | Quality | Reduced customer service | |
| % Other applications processed within 8 weeks | 81 | 81 | 82 | 82 | 82 | 82 | High | Monthly | Quality | Reduced customer service | |
| Volume of Planning applications Total | 4300 | 4350 | 4400 | 4450 | 4500 | 4560 | High | Monthly | Quality | Reduced customer service | |
| % appeals lost | 35 | 35 | 35 | 35 | 35 | 35 | Low | Quarterly | Perception | Reputational risk | |
| Income (Development and Building Control) | £2.01m | £2.05m | £2.11m | £2.11m | £2.11 | £2.11 | High | Monthly | Business critical | Loss of income | |
| % Market share retained by LA (BC) | 65 | 60 | 60 | 60 | 60 | 60 | High | Monthly | Perception | Loss of income | |
| Number of enforcement cases closed | 600 | 600 | 300 | 300 | 300 | 300 | High | Quarterly | Quality | Reduced service delivery | |
| Backlog of enforcement cases | 775 | 750 | 900 | 1200 | 1500 | 1800 | High | Quarterly | Output | Reduced service delivery | |
| % satisfied with Planning (annual resident survey) | 29 | 29 | 30 | 31 | 32 | 30 | High | Annual | Perception | Reputational risk | |

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 2,428 | 2,569 | 2,371 | 2,515 | 1,954 | 1,958 | 1,963 |
| Employees | 1,594 | 1,794 | 1,564 | 1,708 | 1,143 | 1,143 | 1143 |
| Premises | 2 | 1 | 2 | 2 | 2 | 2 | 2 |
| Transport | 34 | 21 | 32 | 25 | 26 | 26 | 27 |
| Supplies & Services | 365 | 299 | 281 | 245 | 248 | 252 | 256 |
| 3rd party payments | | | | | | | |
| Transfer payments | 2 | | 2 | 0 | 0 | 0 | 0 |
| Support services | 431 | 454 | 490 | 535 | 535 | 535 | 535 |
| Depreciation | | | | | | | |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 1,955 | 2,017 | 1,911 | 2,009 | 2,134 | 2,169 | 2,169 |
| Government grants | | | | | | | |
| Reimbursements | 96 | 112 | 49 | 81 | 81 | 81 | 81 |
| Customer & client receipts | 1,859 | 1,905 | 1,862 | 1,928 | 2,053 | 2,088 | 2088 |
| Recharges | | | | | | | |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 473 | 552 | 460 | 506 | (180) | (211) | (206) |



| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | Summary of major budget etc. changes 2016/17 | |
|------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|
| | | | | | | | | E&R33 = (£75k) | |
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| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2017/18 | |
| <div>● Budget ● Actual</div> | | | | | | | | ER07 = (£200k) EN09 = (£40k) EN11 = (£52k) E&R28 = (£157k) E&R29 = (£40k) E&R30= (£80k) ENV20 = (£35k) HPDG reserve adjustment = (£86k) | |
| | | | | | | | | 2018/19 | |
| | | | | | | | | ENV20 = (£35k) | |
| | | | | | | | | 2019/20 | |
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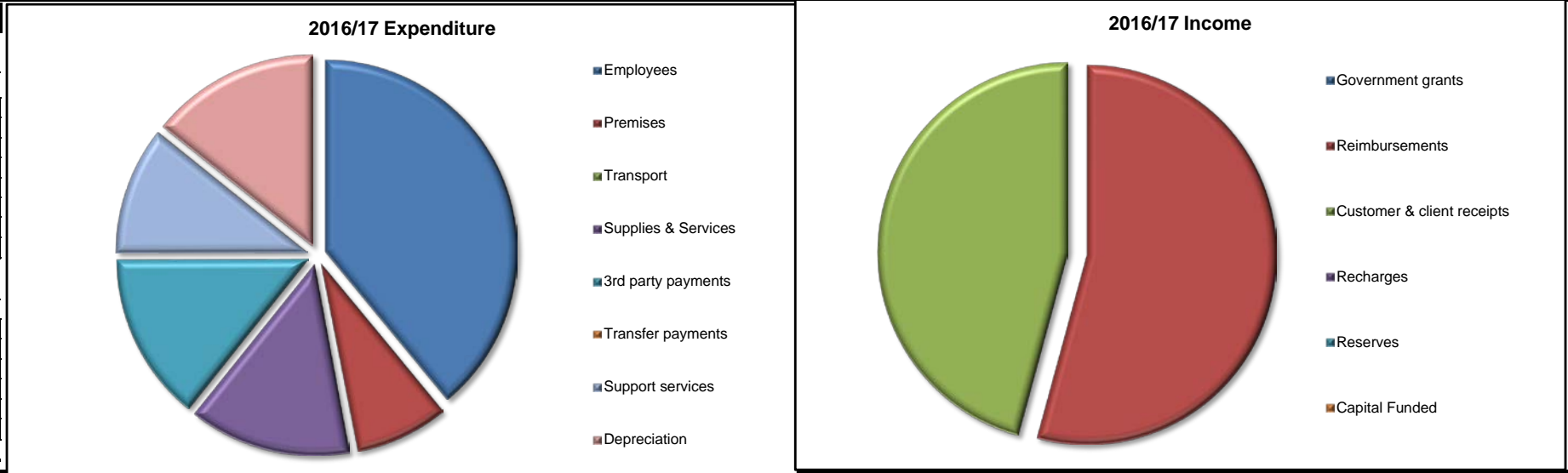
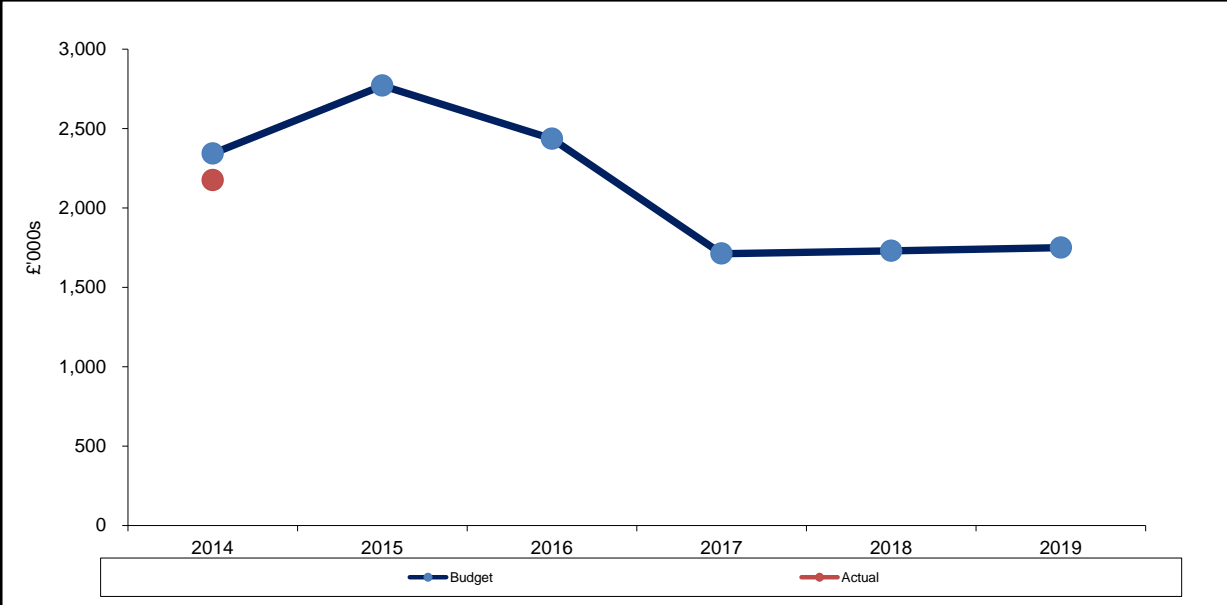
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | |
|---|---------|------------------|--|--|--|--|------------|--------|-------|
| Development and Building Control | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECT BENEFIT | | Risk | | |
| | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: | Commercialisation of Building Control | | Improved efficiency (savings) | | 6 | 2 | 12 |
| Start date | 2013-14 | Project Details: | This is to ensure Building Control is more commercially aware in a more competitive market. | | Additional income generation | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 2 | | Project Title: | Mobile/Home working | | Improved efficiency (savings) | | 2 | 2 | 4 |
| Start date | 2014-15 | Project Details: | This is introducing mobile and home working to the teams. | | To allow reduced office space an efficient working practices | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 3 | | Project Title: | Improving the development management processes | | Improved effectiveness | | 2 | 2 | 4 |
| Start date | 2014-3 | Project Details: | As part of sustainable communities to provide an end to end development management process to deliver regeneration objectives. | | Improve regeneration opportunities | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 4 | | Project Title: | developing eforms and M3 capability and e-payments | | Improved customer experience | | 4 | 1 | 4 |
| Start date | 2014-5 | Project Details: | Enforcement eforms, BC eforms and DC e-payments | | Channel shift | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 5 | | Project Title: | Section review | | Improved efficiency (savings) | | 3 | 2 | 6 |
| Start date | 2014-15 | Project Details: | Section review looking at the structure and interaction with other services | | Efficiencies and savings | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 6 | | Project Title: | Shared services review with other LA's (part of TOM) | | Improved efficiency (savings) | | 2 | 2 | 4 |
| Start date | 2014/15 | Project Details: | Looking at opportunities for sharing householder and /or admin back office services with adjoining authorities | | Efficiencies and savings | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 7 | | Project Title: | Lean review of pre-application process (part of TOM) | | Improved effectiveness | | 6 | 1 | 6 |
| Start date | 2014/15 | Project Details: | To ensure the process is efficient and robust from a customer perspective and to investigate any further income opportunities. | | income generation opportunities | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 8 | | Project Title: | Re-procurement of M3 or equivalent IT system | | Improved effectiveness | | 3 | 1 | 3 |
| Start date | 2014/15 | Project Details: | Either M3 engage cloud based system or equivalent. Potentially shared with nearby authorities | | savings through contract negotiation. | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 9 | | Project Title: | Further develop Planning Performance agreements potential | | Economic outcomes | | 1 | 2 | 2 |
| Start date | 2014/15 | Project Details: | Ensure cost neutral or better staffing levels to ensure this can be delivered | | Regeneration certainty | | | | |
| End date | 2016/17 | | | | | | | | |

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| Future Merton | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | |
|---|-------------------------------------|---------|---------|---------|---------|---------|---------|--|--|
| Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| futureMerton is tasked with delivering development, regeneration, economic growth and accomodating population growth for the long-term sustainability of the borough. [to be merged with Traffic & Highways in 2015/16] ● Develop new Local Plan policies and site assembly strategies to support regeneration, economic development and growth objectives ● Develop sustainable development policies to support Merton's commitment to carbon reduction ● Develop urban design / planning frameworks to support regeneration and growth and increase design quality in the borough ● Deliver projects as set out in our Economic Development and Climate Change Strategies and the Regeneration Delivery Plan (future Growth Strategy 2015) ● Attract developer interest, external funding and inward investment, public sector funding and support to deliver our regeneration and growth objectives. ● To develop transport policies and secure external funding from Transport for London (TfL) to deliver improvements to Merton's public realm, transport infrastructure and sustainable travel. ● Lead on Major Planning developments (Wimbledon Stadium / YMCA / Rainbow Yards / Colliers Wood Tower, St Georges Quarter, Morden town centre, Wimbledon Station, RediscoverMitcham) ● LBM lead on planning and design quality for emerging estate regeneration proposals in partnership with Circle (High Path, Eastfields, Ravensbury) and Moat (Pollards Hill) ● LBM lead on non-operational property assets decisions for growth and regeneration investment purposes. ● LBM lead on Crossrail 2, Tramlink Extension; ID growth opportunities and external funding opportunities | Population | 208,822 | 211,569 | 214,229 | 216,806 | 218,100 | 218,101 | Asset Management Plan | |
| | Actual businesses in borough | 7700 | 7900 | 8,100 | 8,150 | 8,200 | 8,201 | Road Safety Plan | |
| | | | | | | | | Local Implementation Plan | |
| | | | | | | | | Local Transport Plan | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Community Plan | |
| | Staff (FTE) | 27 | 25.54 | 27.04 | 17.04 | 17.04 | 17.04 | Climate Change Strategy | |
| | Staff (Apprentices) | 1 | 2 | 2 | 0 | 0 | 0 | Core Planning Strategy | |
| | | | | | | | | Economic Development Strategy | |
| | | | | | | | | Local Development Framework | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 3,251 | 3,266 | 3,829 | 3,487 | 2,764 | 2,782 | 2,801 |
| Employees | 1,260 | 1,365 | 1,394 | 1,361 | 934 | 934 | 934 |
| Premises | 302 | 296 | 268 | 275 | 278 | 281 | 284 |
| Transport | 10 | 5 | 9 | 5 | 5 | 5 | 5 |
| Supplies & Services | 879 | 892 | 1,358 | 477 | 397 | 405 | 414 |
| 3rd party payments | 389 | 284 | 354 | 495 | 276 | 283 | 290 |
| Transfer payments | | | | | | | |
| Support services | 287 | 300 | 322 | 377 | 377 | 377 | 377 |
| Depreciation | 124 | 124 | 124 | 497 | 497 | 497 | 497 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 908 | 1,090 | 1,058 | 1,051 | 1,051 | 1,051 | 1,051 |
| Government grants | 134 | 134 | 94 | 0 | 0 | 0 | 0 |
| Reimbursements | 472 | 615 | 622 | 570 | 570 | 570 | 570 |
| Customer & client receipts | 302 | 341 | 342 | 481 | 481 | 481 | 481 |
| Recharges | | | | | | | |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 2,343 | 2,176 | 2,771 | 2,436 | 1,713 | 1,731 | 1,750 |

| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Town Centre Investment | | | 1,488 | 1,037 | | | |
| Mitcham Schemes | | 598 | 778 | 1,000 | 700 | | |
| Colliers Wood Schemes | | 359 | 1,199 | | | | |
| Industrial Estate Investment | | | 140 | | 450 | | |
| Morden TfL | | | | | 220 | 2,000 | |
| Transportation Enhancements | | | | | | 5,000 | |
| Other | | 367 | 13 | 619 | | | |
| | 0 | 1,324 | 3,618 | 2,656 | 1,370 | 7,000 | 0 |



| Summary of major budget etc changes | |
|--|--|
| 2016/17 | |
| ER23 = (£77k) EN42 = (£50k) E&R40 = (£60k) E&R42 = (£20k) EDS reserve adjustment = (£193k) | |
| 2017/18 | |
| ER23 = (£214k) E&R41 = (£80k) ENV24 = (£10k) EDS reserve adjustment = (£75k) EDS2 reserve adjustment = (£362k) | |
| 2018/19 | |
| | |
| 2019/20 | |
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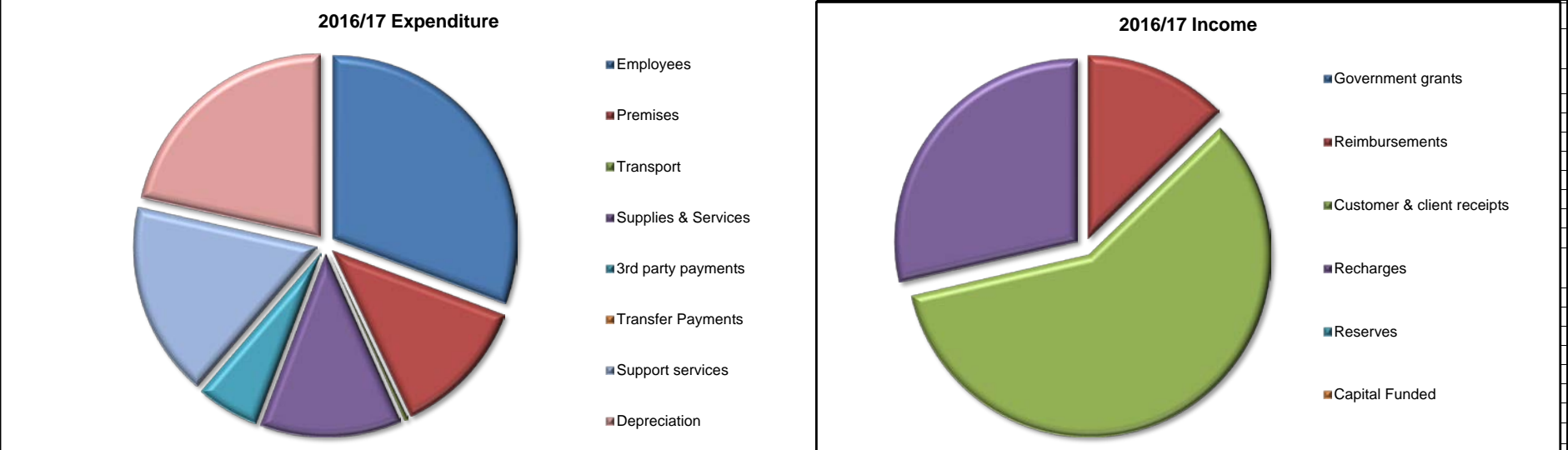
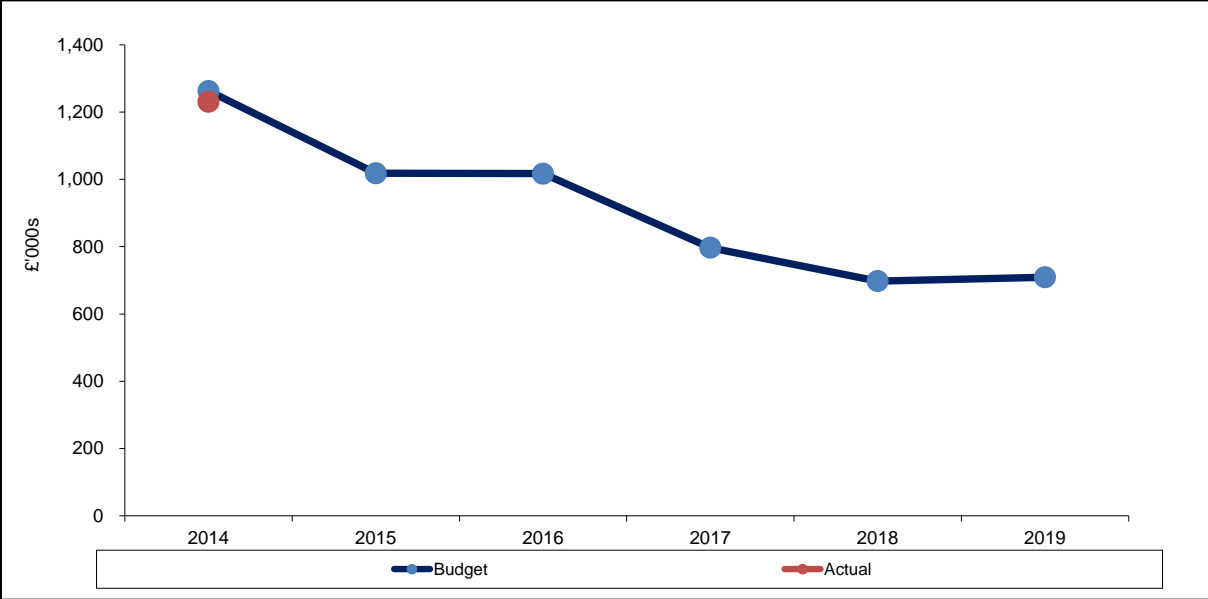
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | |
|---|-----------|--|---|--|-------------------------|--|--|------------|--------|-------|
| Future Merton | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECT BENEFITS | | | Risk | | |
| | | | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | Local Plan: Estate Regeneration | | Infrastructure renewal | | | 3 | 2 | 6 |
| Start date | 2014/15 | | Working with Circle Merton Priory to deliver investment in new homes and the regeneration of High Path, Eastfields and Ravensbury estates. Supported by the preparation of a Local Plan (DPD) Also working with Moat housing to coordinate investment in regenerating Pollards Hill. | | | | | | | |
| End date | 2024/25 | | | | | | | | | |
| Project 2 | | Project Title: Project Details: | Rediscover Mitcham | | Infrastructure renewal | | | 2 | 2 | 4 |
| Start date | 2012-13 | | Revitalising Mitcham Fair Green and surrounding streets by investing c£6m in the public realm, local businesses, and transport proposals, working closely with local residents, the business community and Transport for London. Rediscover Canons HLF Bids (Parks for People and Townscape Heritage c£2.5m) | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 3 | | Project Title: Project Details: | Connecting Colliers Wood / South Wimbledon Planning Framework | | Infrastructure renewal | | | 4 | 1 | 4 |
| Start date | 2014-15 | | Work with stakeholders to facilitate the regeneration and growth of Colliers Wood / South Wimbledon via preparation of GLA Development Framework (strategic masterplan, delivery of public real, new homes and town centre re-designation) Stage 1; delivery c£2.5m investment in 'Connecting Colliers Wood' public realm project on track to complete summer 2015. Masterplan to follow 2015/16+ | | | | | | | |
| End date | 2019-20 | | | | | | | | | |
| Project 4 | | Project Title: Project Details: | Wimbledon Stadium | | Infrastructure renewal | | | 3 | 1 | 3 |
| Start date | 2011-12 | | Delivery of a new stadium and associated developments, working with stakeholders on a masterplan for the site following the outcome of the <i>Sites and Policies Plan</i> | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 5 | | Project Title: Project Details: | Climate Change Strategy & Action Plan | | Improved sustainability | | | 2 | 2 | 4 |
| Start date | 2014-15 | | Managing internal and external energy efficiency and renewable energy investment in the council's buildings, schools and in the wider community to reduce carbon while saving money, towards the creation of a revolving invest-to-save investment fund. Other projects include Air Quality, Greening Businesses, PV roll-out and District Heat & Power feasibility | | | | | | | |
| End date | 2018-19 | | | | | | | | | |
| Project 6 | | Project Title: Project Details: | Future Wimbledon & Crossrail 2 | | Economic outcomes | | | 3 | 4 | 12 |
| Start date | 2014-15 | | Identifiying the growth potential of Wimbledon as the premier business hub in South London. Explore investment and development opprtunities linked to Crossrail 2 and improving the quality of architecure, design and placemaking. Conference (2013) Ideas Competition (2014) Inward investment Prospectus (2015/16) Masterplan linked to Crossrail 2 (2015/16-2017/18) | | | | | | | |
| End date | 2022-23 | | | | | | | | | |
| Project 7 | | Project Title: Project Details: | Morden Town Centre Regeneration | | Improved reputation | | | 3 | 2 | 6 |
| Start date | 2011/12 | | Growth, investment and intensification to support regeneration in Morden. Strategic Planning Policies (2011-2013) Development Brief with TFL for Morden Station (2014) Major scheme bid to TFL for public realm overhaul and gyratory removal (2015/16) GLA Housing Zone bid (2014/2016) Development Partner selection (2015/16-2016/17) Physical project delivery c2017/18 | | | | | | | |
| End date | 2019/2020 | | | | | | | | | |
| Project 8 | | Project Title: Project Details: | Economic Development Strategy and Action Plans | | Improved reputation | | | 2 | 1 | 2 |
| Start date | 2012-13 | | Inward Investment and Business Retention Strategy. Employment and Skills Strategy. Merton Business Support Service. Merton Micro Loan and Business Loan Fund. | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 9 | | Project Title: Project Details: | Smarter travel: road safety | | Improved reputation | | | 2 | 2 | 4 |
| Start date | 2013-14 | | Running various programmes to improve road safety and encourage smarter and healthier travel choices, including adult and children cycle training, walk to school, motorcycle and learner driver training. Reduces road related injuries and helps Merton deliver its share of the Mayor's Transport Strategy. | | | | | | | |
| End date | 2016-17 | | | | | | | | | |
| Project 10 | | Project Title: Project Details: | Borough Cycling Initiatives | | Improved reputation | | | 2 | 1 | 2 |
| Start date | 2014-15 | | TFL Quietways funding for cycling infrastructure improvements. TFL Major Scheme bid for Wimbledon Town Centre cycle segregation scheme (2014/15-2017/18) | | | | | | | |
| End date | 2024-26 | | | | | | | | | |

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| Leisure & Cultural Development | Planning Assumptions | | | | | | | | The Corporate strategies your | | | |
|--|---|---|------------|------------|------------|------------|------------|--------------------------------|-------------------------------|----------------|----------------------------------|---------------------------|
| Cllr Nick Draper Cabinet Member for Community & Culture | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | service contributes to | | | | |
| Enter a brief description of your main activities and objectives below | Population | 208,822 | 211,569 | 214,229 | 216,806 | 219,316 | 213,497 | Asset Management Plan | | | | |
| Main Activities: Engage local people in healthy living and lifestyle changes through increased involvement and participation in sports, arts, cultural and physical activities and events, by working with partners to increase the number, scope and quality of facilities, programmes, activities and events on offer in the borough - thus creating a universal culture and sport offer. | No. of Children & Young People aged 8-17 in west of borough | 7,700 | 7,900 | 8,050 | 8,200 | 8,700 | 12,410 | Children & Young person's Plan | | | | |
| | Population of most disadvantaged wards | 126,100 | 126,850 | 127,540 | 128,100 | 104,155 | 100,768 | Cultural Strategy | | | | |
| | Users of Merton's Leisure Centres | 824,433 | 832677 | 841004 | 878105 | 942,592 | 970,026 | Community Plan | | | | |
| Main Objectives: - Build a new Morden Leisure Centre by 2018, making contract savings in the process - Deliver a Wimbledon Park Master Plan by 2017, follow this with a contracting out of the commercial sports & leisure services - Deliver future culture & sports services through corporate technological solutions including the CRM system for interfacing with customers - Move leisure and arts development to be commissioned services, reducing staff by 75% & generating savings - Transfer leisure support staff out under Phase C contract generating savings - Restructure & reorganise the remaining Leisure & Culture Development & Greenspaces Team's functions, products & services, budgets into one combined service following the implementation of the Phase C contract | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Open Spaces Strategy | | | | |
| | Staff (FTE) | 13.6 | 14.25 | 13.6 | 6.6 | 6.6 | 6.6 | Social Inclusion Strategy | | | | |
| | Accommodation | 7 | 7 | 7 | 7 | 7 | 7 | Voluntary Sector Strategy | | | | |
| | Volunteers | 20 | 20 | 20 | 20 | 20 | 20 | | | | | |
| | Staff seasonal | 30 | 30 | 30 | 30 | 30 | 30 | | | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met | |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | | |
| | | Income £ from Merton Active Plus | 50,000 | 55,000 | 60,000 | 60,000 | 60,000 | 60,000 | High | Monthly | Business critical | Loss of income |
| | | Income £ from Watersports Centre | 367,000 | 377,000 | 387,000 | 397,000 | 402,000 | 402,000 | High | Monthly | Business critical | Loss of income |
| | | 14-25 yr old Fitness Centre Participation at leisure centres | 100,000 | 103,000 | 106,000 | 106,000 | 106,000 | 108,120 | High | Monthly | Output | Reduced uptake of service |
| | | External Capital & Revenue funding | 320,000 | 100,000 | 100,000 | 100,000 | 100,000 | 50,000 | High | Quarterly | Output | Reduced customer service |
| | | % residents rating facilities Good to Excellent | 51.5 | 45.0 | 45.5 | 46.0 | 48.0 | 48.0 | High | Annual | Outcome | Reduced customer service |
| | Total Number of Users of Merton's Leisure Centres | 824,433 | 832,677 | 841,004 | 878,105 | 942,592 | 970,026 | High | Monthly | Output | Reduced uptake of service | |
| | Total Number of Users of Polka Theatre | 92,785 | 93,690 | 93,916 | 94,600 | 95,000 | 89,500 | High | Quarterly | Output | Reduced uptake of service | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 2,332 | 2,369 | 2,113 | 2,268 | 2,058 | 1,964 | 1,975 |
| Employees | 721 | 742 | 706 | 697 | 498 | 498 | 498 |
| Premises | 249 | 196 | 122 | 278 | 282 | 186 | 190 |
| Transport | 9 | 13 | 8 | 8 | 8 | 9 | 9 |
| Supplies & Services | 293 | 281 | 282 | 282 | 265 | 265 | 270 |
| 3rd party payments | 175 | 210 | 198 | 126 | 128 | 129 | 131 |
| Transfer Payments | 5 | | 5 | 0 | 0 | 0 | 0 |
| Support services | 361 | 408 | 383 | 389 | 389 | 389 | 389 |
| Depreciation | 519 | 519 | 409 | 488 | 488 | 488 | 488 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 1,069 | 1,138 | 1,095 | 1,251 | 1,261 | 1,266 | 1,266 |
| Government grants | 10 | 1 | 0 | | | | |
| Reimbursements | 128 | 123 | 244 | 160 | 160 | 160 | 160 |
| Customer & client receipts | 594 | 611 | 500 | 733 | 743 | 748 | 748 |
| Recharges | 337 | 403 | 351 | 358 | 358 | 358 | 358 |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 1,263 | 1,231 | 1,018 | 1,017 | 797 | 698 | 709 |

| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Morden Leisure Centre | | 24 | 669 | 5,131 | 4,928 | 247 | |
| Wimb Pk Lake de-silting | | | | | | 1,500 | |
| Other | | 628 | 353 | 300 | 300 | 300 | 300 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | 0 | 652 | 1,022 | 5,431 | 5,228 | 2,047 | 300 |

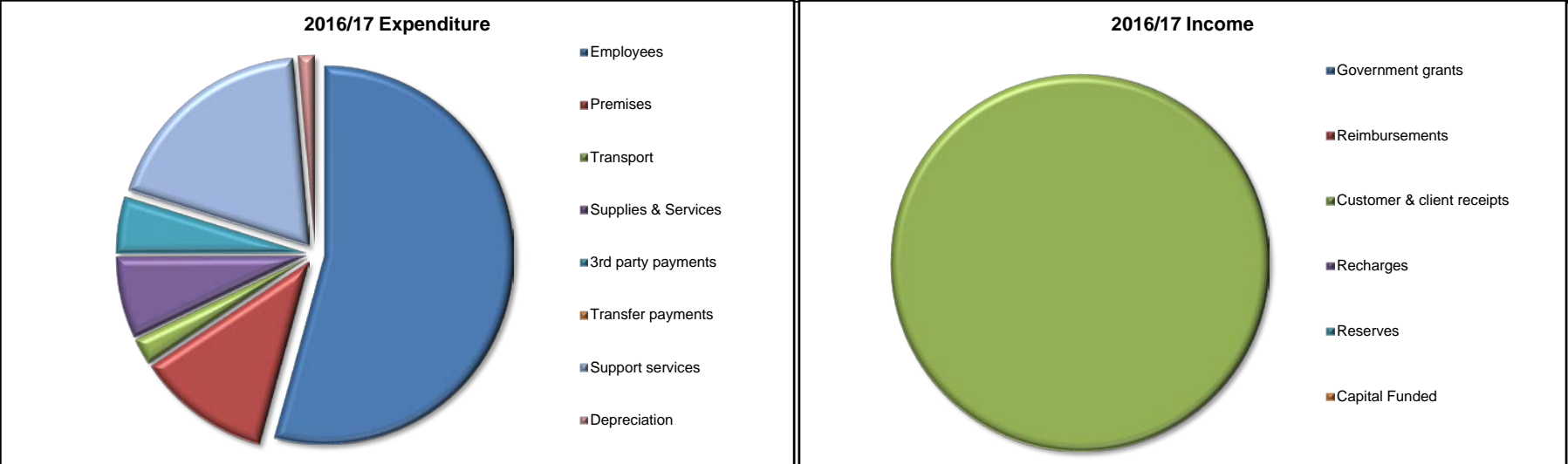


| Summary of major budget etc changes | |
|--|--|
| 2016/17 | |
| EN35 = (£14k) EN36 = (£10k) EN37 = (£5k) E&R1 = (£5k) E&R2 = (£10k) E&R33 = (£30k) BMX Track reserve adjustment = (£35k) | |
| 2017/18 | |
| E&R1 = (£5k) E&R2 = (£10k) E&R3 = (£16k) ENV11 = (£59k) ENV12 = (£70k) ENV13 = (£70k) | |
| 2018/19 | |
| E&R1 = (£4k) E&R2 = (£5k) E&R4 = (£100k) | |
| 2019/20 | |

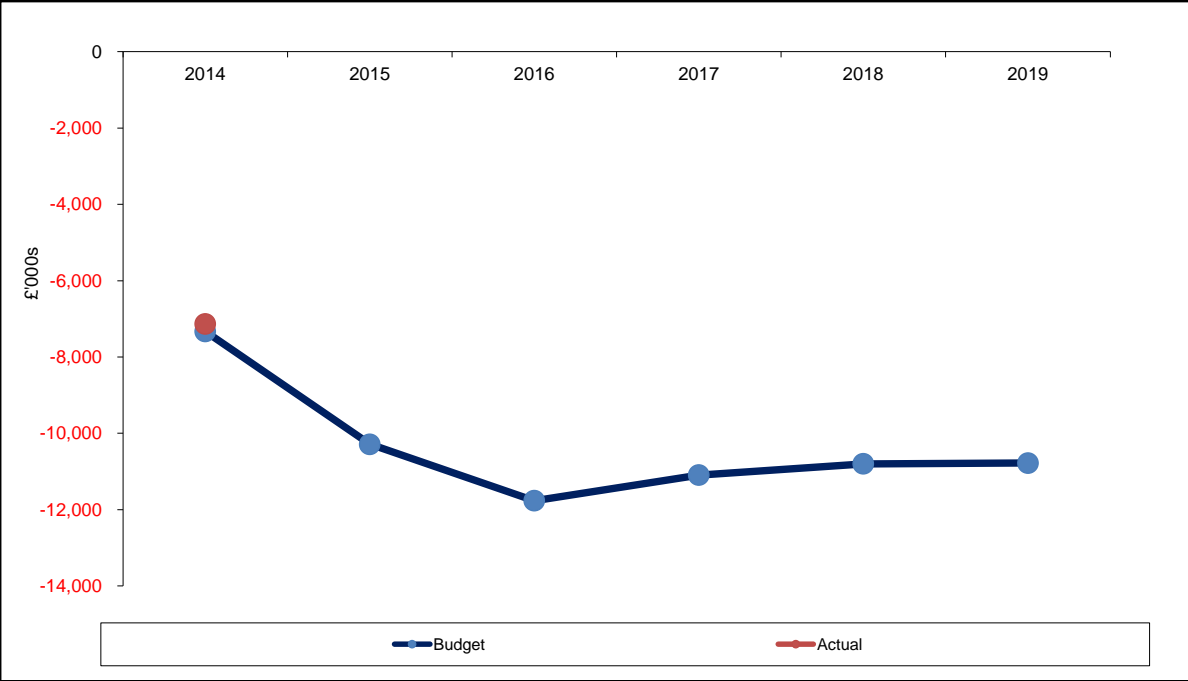
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | |
|---|---------|------------------|---|-----------------------|-------------------------------|------------|--------|-------|---|
| Leisure & Cultural Development | | | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | | | |
| | | | | | | Likelihood | Impact | Score | |
| Project 1 | | Project Title: | Morden Leisure Centre | | Improved customer experience | | 4 | 2 | 8 |
| Start date | 2014 | Project Details: | Deliver a new Morden Leisure Centre as a family friendly and community leisure centre to replace Morden Park Pools. Decommission and demolish the existing Morden Park Pools and reinstate the land to fit in with the Morden Park landscape | | | | | | |
| End date | 2018 | | | | | | | | |
| Project 2 | | Project Title: | Leisure Centres Contract | | Improved efficiency (savings) | | 2 | 2 | 4 |
| Start date | 2016 | Project Details: | Vary the Leisure Centre Contract to take account of the new Morden Leisure Centre | | | | | | |
| End date | 2018 | | | | | | | | |
| Project 3 | | Project Title: | Deliver a Wimbledon Park Masterplan | | Improved effectiveness | | 2 | 2 | 4 |
| Start date | 2015 | Project Details: | Develop a strategic masterplan for Wimbledon Park that takes account of all of the landscape, ecology and heritage matters as well as defining a sustainable and financially viable future for sports, culture, leisure, play facilities and ancilliary facilities, etc. within the park. | | | | | | |
| End date | 2017 | | | | | | | | |
| Project 4 | | Project Title: | Implement the Wimbledon Park Lake Flood Risk & De-silting Plans | | Improved sustainability | | 4 | 2 | 8 |
| Start date | 2017 | Project Details: | Following the outcomes of the Wimbledon Park & Lake Masterplan for the required improvements and solutions for the lake. Procure and implement the solutions | | | | | | |
| End date | 2018 | | | | | | | | |
| Project 5 | | Project Title: | Customer Contact Programme - Online Leisure & Cultural Bookings & Payment System & Other Service Technological Requirements | | Improved customer experience | | 2 | 2 | 4 |
| Start date | 2015 | Project Details: | Work with Corporate IT on the Customer Contact Programme to deliver, improve & implement the replacement online booking & payment system for pitch, halls, pavilions, courses, events and activities in line with the whole council approach. Implement other corporate technological solutions and work with corporate IT to meet customer and service needs within that provision. Ensure service / customer needs are appropriately embedded in new ways of working. | | | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 6 | | Project Title: | Commercialisation of Culture & Sport Activities, Projects and Programmes | | Improved efficiency (savings) | | 2 | 2 | 4 |
| Start date | 2014 | Project Details: | Continue the commercialisation and development of the Merton Active Plus programme to generate increased income over a three year period to cover the salary of the officer that delivers it. Develop the Marine College and Outdoor Education Centre at the Watersports Centre. development team to cover two distinct strands of commercial and community activities. | | | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 7 | | Project Title: | Restructure Staff Team following Phase C & Staff Reductions | | Improved effectiveness | | 2 | 2 | 4 |
| Start date | 2016 | Project Details: | TUPE staff out to contractors as part of Phase C Contract. Restructure & reorganise the remaining Leisure & Culture Development & Greenspaces Team's functions, products & services, budgets into one combined service following the implementation of the Phase C contract | | | | | | |
| End date | 2017 | | | | | | | | |
| Project 8 | | Project Title: | Increasing participation & engagement in the arts, culture, sport, physical activity and well-being activities | | Improved customer experience | | 2 | 2 | 4 |
| Start date | 2014 | Project Details: | Develop and deliver, with and through partners, joint community projects and programmes in the east of the borough in accordance with the Culture & Sport Framework. Deliver the Sports Blast Programme | | | | | | |
| End date | 2017 | | | | | | | | |
| Project 9 | | Project Title: | Develop the boroughs involvement in major sporting, arts & cultural events | | Improved customer experience | | 2 | 2 | 4 |
| Start date | 2012 | Project Details: | Deliver and develop Merton's contribution to Ride London, WW1, Community & Celebratory Events, Etc. as required | | | | | | |
| End date | 2018-19 | | | | | | | | |
| Project 10 | | Project Title: | External Funding & Inward Investment Opportunities | | Improved effectiveness | | 2 | 2 | 4 |
| Start date | 2013 | Project Details: | Seek out partnership working and funding opportunities that deliver against the Cultural Framework as well as seeking external funding to deliver our strategic needs. Eg Morden Leisure Centre; facilities at Wimbledon Park, etc. | | | | | | |
| End date | 2018-19 | | | | | | | | |

| Parking | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | |
|---|-------------------------------------|---|------------|------------|--------------|---------------|--------------|--|-------------------|--------------------------|
| Cllr Judy Saunders Cabinet Member for Performance & Implementation | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | |
| <p>Enter a brief description of your main activities and objectives below</p> <p>The service is required to enforce the parking regulations to ensure the through flow of traffic can be maintained and ensuring residents and blue badge holders have the ability to park in bays they have a permit or badge for. Surplus income generated by traffic management must be used for transport related areas.</p> <p>Objectives</p> <ul style="list-style-type: none">enforce parking regulations across the borough including Controlled Parking Zones and bus lanesto implement measures to improve traffic enforcement efficiency , specifically the introduction of Automatic Number Plate Recognition (ANPR) cameras at bus lane and moving traffic locations. This will improve compliance and ease congestion at key points across the boroughto maintain a survey of parking needs, hours of operation, the availability of parking spaces and the charging structureto monitor the borough 's parking infrastructure to ensure that locations subject to regulatory controls can be effectively enforced thus improving compliance and ultimately congestionto take account in business planning of the increase in population and changes in planning legislation allowing business premises to be changed to residential use which could result in an increase in demand for parking spaces in existing CPZ's and pressure in areas with no controlled parking to introduce CPZ's. <p>In January 2016 Public Space CCTV camera team was amalgamated with Parking Services and changed the sections title to Parking and CCTV Services.</p> <p>The core activity is to review the operational structure , processes and the number of CCTV cameras throughout the borough with the aim of achieving efficiencies without reducing the level of service to the residents, customers and our partners.</p> | Number of resident permits issued | 17,897 | 18,320 | 20,0041 | (5%) 21,043 | (5%) 24,011 | (5%) 22,095 | Road Safety Plan | | |
| | Number of visitors permits issued | 217,000 | 227,000 | 239,242 | (5%) 251,204 | (10%) 263,764 | (5%) 276,953 | Medium Term Financial Strategy | | |
| | | | | | | | | Local Transport Plan | | |
| | | | | | | | | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | |
| | Staff (FTE) | 71.50 | 86.20 | 93.27 | 85.27 | 85.27 | 85.27 | | | |
| | Transport | 15 | 15 | 12 | 12 | 12 | 12 | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type |
| 2014/15(T) | | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| % of parking permits issued within 5-7 days | 90% | 90% | 90% | 90% | 90% | 90% | High | Monthly | Outcome | Loss of income |
| Sickness- No of days per FTE (12 month rolling average) | 11 | 10 | 9 | 8 | 8 | 8 | Low | Quarterly | Quality | Loss of income |
| Percentage of cases won at PATAS | 50% | 52% | 54% | 54% | 54% | 54% | High | Monthly | Business critical | Loss of income |
| Percentage of cases lost at PATAS | 23% | 22% | 21% | 21% | 21% | 21% | Low | Monthly | Business critical | Loss of income |
| Percentage of cases where council does not contest at PATAS due to new evidence | 27% | 26% | 25% | 25% | 25% | 25% | Low | Monthly | Business critical | Loss of income |
| Percentage of Public Space CCTV cameras working | 95% | 95% | 95% | 95% | 95% | 95% | High | Monthly | Business critical | Reduced service delivery |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 4,745 | 4,796 | 5,195 | 5,426 | 5,094 | 5,052 | 5,071 |
| Employees | 2,501 | 2,523 | 2,788 | 2,945 | 2,640 | 2,640 | 2,640 |
| Premises | 637 | 658 | 641 | 619 | 626 | 632 | 639 |
| Transport | 140 | 145 | 140 | 124 | 80 | 82 | 84 |
| Supplies & Services | 298 | 290 | 370 | 377 | 383 | 389 | 395 |
| 3rd party payments | 260 | 229 | 264 | 265 | 269 | 213 | 217 |
| Transfer payments | | | | | | | |
| Support services | 832 | 874 | 905 | 1,020 | 1,020 | 1,020 | 1,020 |
| Depreciation | 77 | 77 | 87 | 76 | 76 | 76 | 76 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 12,077 | 11,930 | 15,480 | 17,188 | 16,186 | 15,850 | 15,850 |
| Government grants | | | | | | | |
| Reimbursements | | | | | | | |
| Customer & client receipts | 12,077 | 11,930 | 15,480 | 17,188 | 16,186 | 15,850 | 15,850 |
| Recharges | | | | | | | |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | (7,332) | (7,134) | (10,285) | (11,762) | (11,092) | (10,798) | (10,779) |



| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Parking | | 11 | 143 | 653 | | | |
| CCTV Match funding | | | 201 | 399 | | | |
| Other | | 217 | 194 | 185 | 156 | 175 | 175 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | 0 | 228 | 538 | 1,237 | 156 | 175 | 175 |



| Summary of major budget etc. changes | |
|--|--|
| 2016/17 | |
| EN02 = (£226k) EV11 = (£125k) E&R7 = (£260k) E&R8 = (£1,700k) E&R9 = (£500k) E&R10 = (£80k) E&R11 = (£60k) E&R12 = (£14k) ANPR income reduction = £1,300k | |
| 2017/18 | |
| EV11 = (£125k) E&R7 = (£163k) E&R8 = £1,540k ENV02 = (£190k) ENV03 = (£45k) ENV04 = (£250k) ENV05 = (£70k) ENV06 = (£46k) ENV33 = (£250k) ANPR income reduction = £250k | |
| 2018/19 | |
| E&R7 = (£163k) E&R8 = £500k ENV07 = (£60k) | |
| 2019/20 | |
| | |

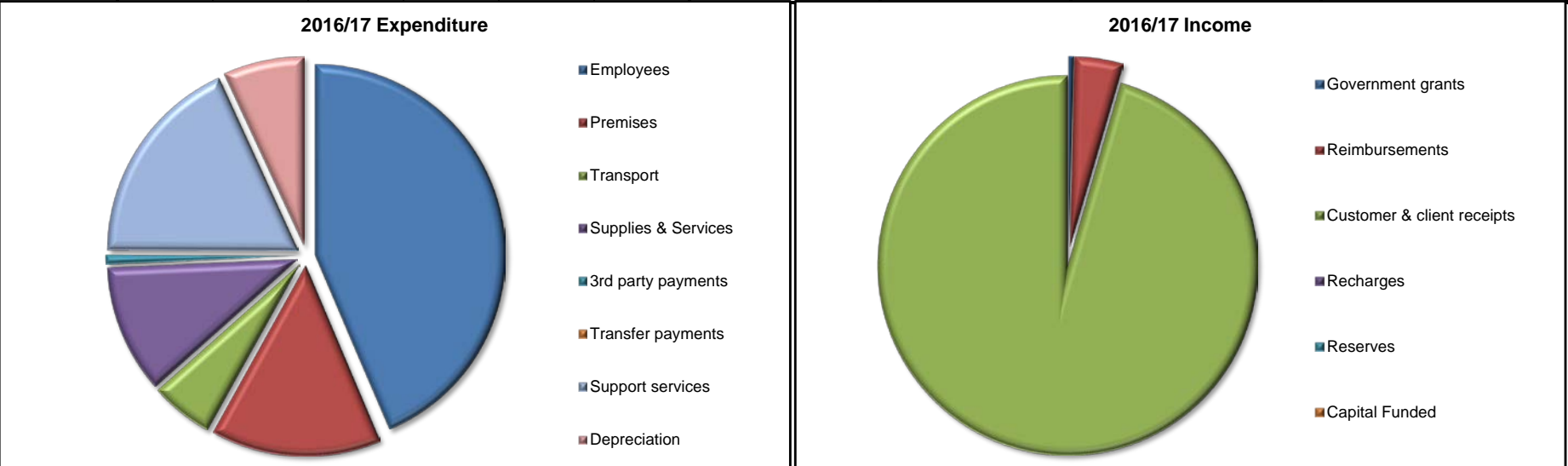
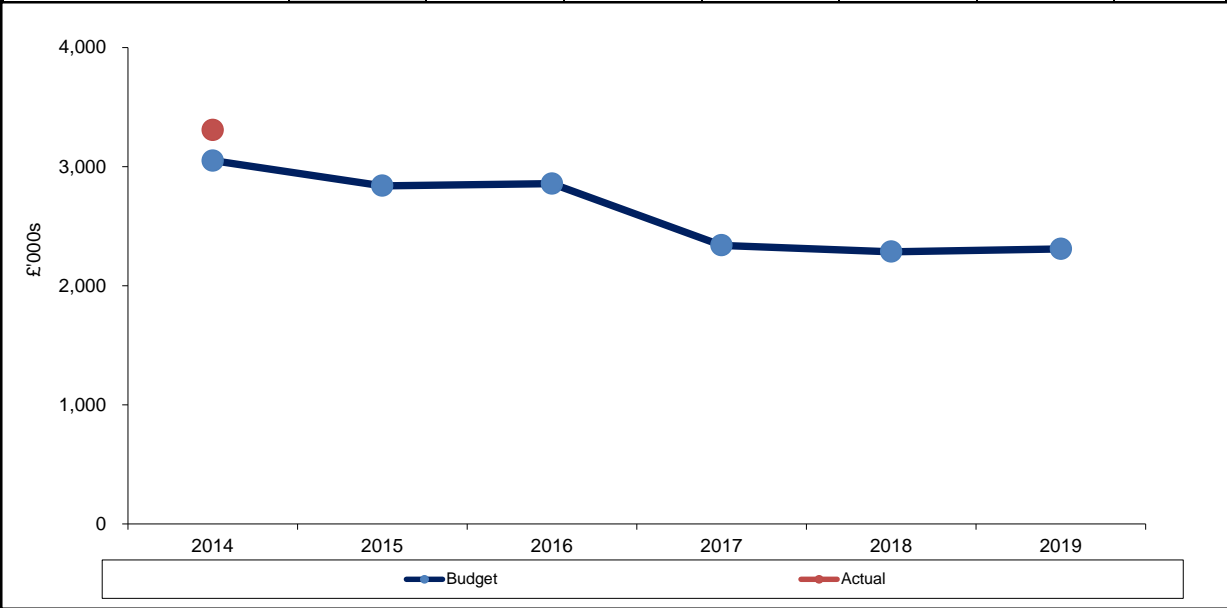
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | |
|---|------------|--|--|--|---|------------|--------|
| Parking | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | |
| | | | | | | Likelihood | Impact |
| Project 1 | | Project Title: Project Details: | Tackling Traffic Congestion Replace the existing Bus Lane and Moving Traffic enforcement cameras and back office system with an Automatic Number Plate Recognition (ANPR) to enable unmanned enforcement of the above type of enforcement contraventions. | Improved effectiveness The improvement of traffic congestion that will lead to improved bus journey times, traffic flows, pollution and the safety of pedestrians and cyclists. | 2 | 1 | 2 |
| Start date | 2015-2016 | | | | | | |
| End date | 2016-17 | | | | | | |
| Project 2 | | Project Title: Project Details: | Cashless parking Rollout a cashless/mobile phone payment service for on and off-street parking charges, permits and suspensions. | Improved customer experience Improved customer service by allowing motorists to purchase paid for parking without the need for cash. | 2 | 1 | 2 |
| Start date | 2013-14 | | | | | | |
| End date | 2015-16 | | | | | | |
| Project 3 | | Project Title: Project Details: | Investment in Public Space CCTV Replace existing public space CCTV equipment On Street and in the back office CCTV suite | Improvement in Public safety | 2 | 1 | 2 |
| Start date | 2015-2016 | | | | | | |
| End date | 2016-2017 | | | | | | |
| Project 4 | | Project Title: Project Details: | Review CEO Shift Patterns Consult on the introduction of a more efficient shift patterns | More efficient use of resources | 2 | 1 | 2 |
| Start date | 01/04/2016 | | | | | | |
| End date | 01/09/2016 | | | | | | |
| Project 5 | | Project Title: Project Details: | Review CCTV Shift Patterns Consult on the introduction of a more efficient shift patterns | More efficient use of resources | 2 | 1 | 2 |
| Start date | 01/04/2016 | | | | | | |
| End date | 01/09/2016 | | | | | | |
| Project 6 | | Project Title: Project Details: | Enforcement of pavement parking as a result of a new policy Stop inconsiderate parking on pavements by motorists | Improve conditions for pedestrians using the pavements | 2 | 1 | 2 |
| Start date | 01/04/2016 | | | | | | |
| End date | Continuous | | | | | | |

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| Parks and Green Spaces | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | | |
|--|--|---|------------|------------|------------|------------|------------|--|-------------------|--------------------------|----------------------------------|
| Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| Enter a brief description of your main activities and objectives below The service manages, maintains and develops Merton's parks & open spaces including the management of a cemetery service, and a varied programme of outdoor events from small community to large commercial ones. There are currently in excess of 100 separate sites. . The service is becoming increasingly efficient and commercial in the way it manages its sports and other lettings and is moving to a position where community groups and organisations contribute directly to front-line delivery, including self-management of assets and services such as allotment gardens. The current TOM transformation process will emphasise and further embed these principles, subject to the outcomes of the current Phase C service out-sourcing procurement exercise. Objectives: The team's primary objectives in the forthcoming years include the following principal tasks: ● increasing income ● reducing operational expenditure ● maintaining and improving service standards and performance ● securing investment and delivering improvements to open space facilities ● encouraging and facilitating community self-management of sites and facilities ● providing project management, support and/or advice on the development and delivery of major open space construction and redevelopment projects ● implementation of agreed TOM transformation process outcomes ● service externalisation as part of Phase C procurement exercise (2016/17) | Increased sports pitch demand (Total number of bookings) | 1% | 1% | 1% | 1% | 1% | 1% | Open Spaces Strategy | | | |
| | Attendance at major community outdoor events (No. of people) | 50,000 | 55,000 | 55,000 | 60,000 | 60,000 | 60,000 | Children & Young person's Plan | | | |
| | Number of funerals at LBM cemeteries | 205 | 210 | 215 | 220 | 240 | 260 | Cultural Strategy | | | |
| | | | | | | | | Capital Programme | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | Staff (FTE) | 70.75 | 71.85 | 67.85 | 62.85 | 62.85 | 62.85 | | | | |
| | Staff accommodation units (No. of mess rooms/depots) | 12 | 12 | 12 | 10 | 10 | 10 | | | | |
| | Transport vehicles | 19 | 19 | 19 | 18 | 17 | 16 | | | | |
| | | | | | | | | | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| | Residents % satisfaction with parks & green spaces | 72 | 73 | 74 | 75 | 76 | 77 | High | Annual | Perception | Reputational risk |
| | Young peoples % satisfaction with parks & green spaces | 71 | 72 | 73 | 74 | 75 | 76 | High | Biennial | Perception | Reputational risk |
| Total LBM cemeteries income £ | 536,000 | 553,000 | 569,000 | 586,000 | 604,000 | 622,000 | High | Monthly | Business critical | Loss of income | |
| Total outdoor events income £ | 316,000 | 328,000 | 341,000 | 351,000 | 362,000 | 373,000 | High | Monthly | Business critical | Loss of income | |
| Number of Green Flags | 5 | 5 | 5 | 5 | 6 | 7 | High | Annual | Quality | Reputational risk | |
| Number of outdoor events in parks | 130 | 130 | 130 | 130 | 130 | 130 | High | Monthly | Perception | Reputational risk | |
| Volunteer input in parks management (No. of groups) | 30 | 35 | 40 | 45 | 50 | 55 | High | Quarterly | Perception | Reduced service delivery | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 5,000 | 5,300 | 4,812 | 5,118 | 4,791 | 4,837 | 4,860 |
| Employees | 2,273 | 2,415 | 2,303 | 2,231 | 2,044 | 2,044 | 2044 |
| Premises | 737 | 815 | 640 | 742 | 688 | 722 | 731 |
| Transport | 246 | 265 | 245 | 274 | 255 | 259 | 263 |
| Supplies & Services | 497 | 487 | 494 | 556 | 491 | 499 | 508 |
| 3rd party payments | 32 | 48 | 32 | 40 | 38 | 38 | 39 |
| Transfer payments | | | | | | | |
| Support services | 889 | 944 | 983 | 925 | 925 | 925 | 925 |
| Depreciation | 326 | 326 | 115 | 350 | 350 | 350 | 350 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 1,949 | 1,992 | 1,972 | 2,261 | 2,451 | 2,551 | 2,551 |
| Government grants | 60 | 22 | 60 | 8 | 8 | 8 | 8 |
| Reimbursements | 97 | 257 | 81 | 94 | 184 | 184 | 184 |
| Customer & client receipts | 1,792 | 1,713 | 1,831 | 2,159 | 2,259 | 2,359 | 2,359 |
| Recharges | | | | | | | |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 3,051 | 3,308 | 2,840 | 2,857 | 2,340 | 2,286 | 2,309 |

| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Parks Investment | | 219 | 287 | 276 | 216 | 323 | 325 |
| Other | | 638 | 766 | 210 | 34 | 28 | 60 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | 0 | 857 | 1,053 | 486 | 250 | 350 | 385 |



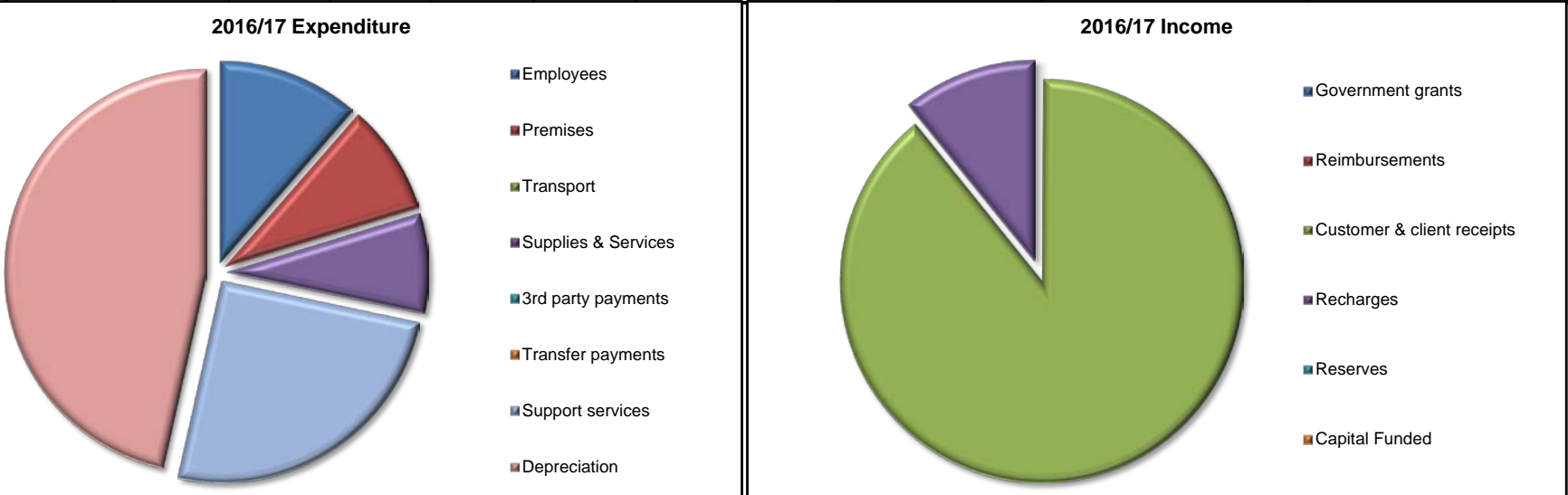
| Summary of major budget etc. changes | |
|--|--|
| 2016/17 | |
| EN45 = (£13k) E&R24 = (£130k) E&R26 = (£60k) E&R27 = (£44k) E&R33 = (£70k) | |
| 2017/18 | |
| E&R25 = (£160k) ENV18 = (£100k) ENV19 = (£90k) ENV21 = (£6k) ENV22 = (£24k) ENV23 = (£160k) | |
| 2018/19 | |
| ENV18 = (£100k) Tennis Courts reserve adjustment = £25k | |
| 2019/20 | |

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | |
|---|---------|--|---|-------------------------------|---|------------|--------|
| Parks and Green Spaces | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | |
| | | | | | | Likelihood | Impact |
| Project 1 | | Project Title: Project Details: | Management of parks & open spaces Encourage and facilitate the management of parks and/or parks facilities by friends and other community groups. Increase volunteering in parks | Improved reputation | 2 | 2 | 4 |
| Start date | 2012-13 | | | | | | |
| End date | 2017-18 | | | | | | |
| Project 2 | | Project Title: Project Details: | Management of bowling greens Review and transformation of the current bowls provisions in Merton | Improved reputation | 2 | 2 | 4 |
| Start date | 2012-13 | | | | | | |
| End date | 2017-18 | | | | | | |
| Project 3 | | Project Title: Project Details: | Commercialisation of grounds and sports services Increased commercialisation of the grounds, sports and other Greenspaces' services, including outdoor events | Economic outcomes | 2 | 2 | 4 |
| Start date | 2012-13 | | | | | | |
| End date | 2018-19 | | | | | | |
| Project 4 | | Project Title: Project Details: | Service Delivery Models Support & input to South London Waste Partnership Phase C procurement exercise (Lot 2) | Improved efficiency (savings) | 3 | 2 | 6 |
| Start date | 2014-15 | | | | | | |
| End date | 2016-17 | | | | | | |
| Project 5 | | Project Title: Project Details: | Development of new sporting hub at Joseph Hood Rec Production and implementation of a new masterplan for Joseph Hood Recreation Ground | Improved customer experience | 3 | 2 | 6 |
| Start date | 2012-13 | | | | | | |
| End date | 2017-18 | | | | | | |
| Project 6 | | Project Title: Project Details: | New pavilion & facilities at Dundonald Rec Delivery of new pavilion and allied facilities at Dundonald Rec (with CSF) | Improved reputation | 2 | 2 | 4 |
| Start date | 2014-15 | | | | | | |
| End date | 2016-17 | | | | | | |
| Project 7 | | Project Title: Project Details: | Management of paddling pools Investment in new water play facilities. | Improved reputation | 2 | 2 | 4 |
| Start date | 2013-14 | | | | | | |
| End date | 2016-17 | | | | | | |

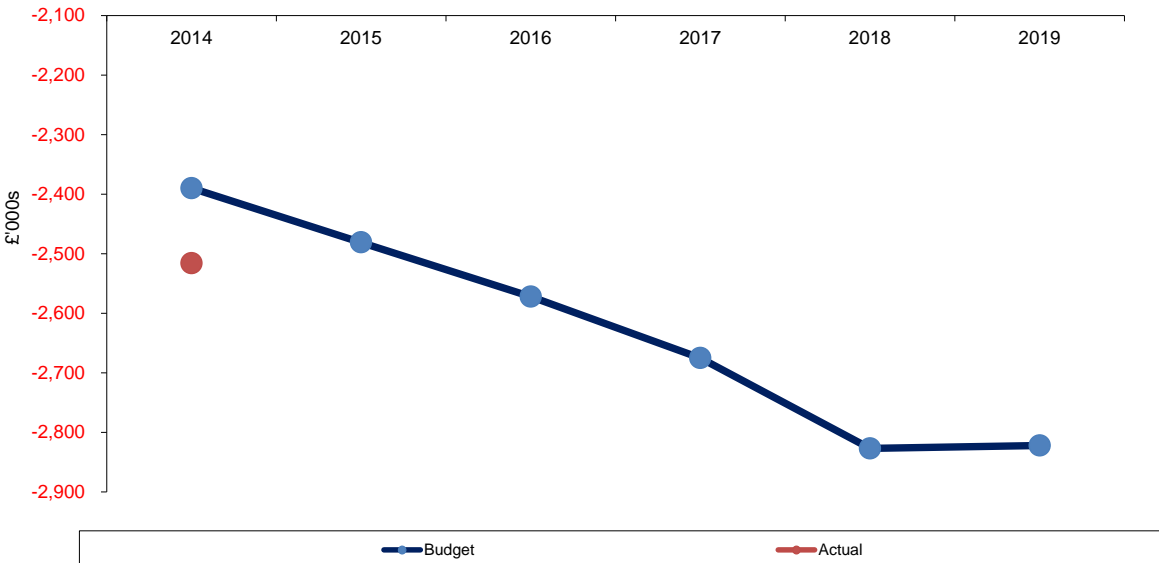
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| Property | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | |
|--|---|------------|------------|------------|------------|------------|----------|--|-------------------|----------------------------------|
| Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | |
| Enter a brief description of your main activities and objectives below | The number of proposed disposals | 12 | 4 | TBC | TBC | TBC | TBC | Capital Programme | | |
| To ensure that all property transactions provide value for money and comply with statute To maintain an accurate record of the property assets of the council and to provide asset valuations to support the council's accounts.(Section 151) To manage the councils investment portfolio to maximise income, managing the councils asset base to ensure that it has the accommodation necessary to support its services at a standard it can afford. To support regeneration, deal with occupation of council land by Gypsies and Travellers and lead the Integrated Project Team to deliver a programme of property sales to maximise capital receipts. Community Right to Bid -to manage applications for community assets to be listed and claims for compensation. To maintain a publicly available list of property assets as required by transparency agenda under Localism Act 2011. IOM will lead to increased efficiency the possibility of acting for other authorities on specialisms and most significantly driving economic development and regeneration through closer working with Future Merton. This may impact on the timing of sales and capital receipts. Objectives ● complete Asset Valuations to timetable agreed with Director of Corporate Services ● drive programme of property disposals to maximise capital receipts and exceed target ● critically examine operational property to ensure the council has the minimum necessary to support the business plan ● maximise revenue income by letting vacant property ● provide timely advice to inform regeneration projects ● ensure team is arranged to support objectives. | The number of proposed lettings. | 9 | 8 | 8 | 8 | 8 | 8 | Economic Development Strategy | | |
| | The number of proposed rent reviews | 25 | 21 | 21 | 21 | 21 | 21 | Housing Strategy | | |
| | The number of commercial properties | 394 | 394 | 394 | 394 | 394 | 394 | Medium Term Financial Strategy | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Asset Management Plan | | |
| | Staff (FTE) | 6 | 5.60 | 4.85 | 3.60 | 3.60 | 3.60 | | | |
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| | | | | | | | | | | |
| Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| % Vacancy rate of prop. owned by council | 4.0 | 3.5 | 3.5 | 3.3 | 3.3 | 3.3 | Low | Quarterly | Outcome | Loss of income |
| % Debt owed to LBM by tenants Inc. businesses | 9.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | Low | Quarterly | Outcome | Loss of income |
| Asset Valuations | 150 | 150 | 150 | 150 | 150 | 150 | High | Annual | Business critical | Breach statutory duty |
| | | | | | | | | | | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 2,140 | 2,205 | 2,068 | 1,985 | 1,925 | 1,913 | 1,918 |
| Employees | 272 | 256 | 274 | 226 | 161 | 161 | 161 |
| Premises | 343 | 375 | 283 | 176 | 179 | 164 | 167 |
| Transport | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Supplies & Services | 156 | 213 | 158 | 159 | 161 | 164 | 166 |
| 3rd party payments | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Transfer payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Support services | 444 | 434 | 471 | 500 | 500 | 500 | 500 |
| Depreciation | 924 | 924 | 881 | 923 | 923 | 923 | 923 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 4,530 | 4,721 | 4,549 | 4,557 | 4,600 | 4,740 | 4,740 |
| Government grants | | | | | | | |
| Reimbursements | 5 | 17 | 5 | 5 | 5 | 5 | 5 |
| Customer & client receipts | 4,042 | 4,223 | 4,042 | 4,060 | 4,103 | 4,243 | 4,243 |
| Recharges | 483 | 481 | 502 | 492 | 492 | 492 | 492 |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | (2,390) | (2,516) | (2,481) | (2,572) | (2,675) | (2,827) | (2,822) |



| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | Summary of major budget etc. changes | |
|-----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|
| Wimbledon Scouts | | | 25 | | | | | 2016/17 | |
| | | | | | | | | ER23 = (£52k) E&R6 = (£39k) | |
| | | | | | | | | | |
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| | | | | | | | | | |
| | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 2017/18 | |
| | | | | | | | | ER23 = (£18k) E&R5 = (£82k) ENV34 = (£8k) | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | 2018/19 | |
| | | | | | | | | E&R6 = (£18k) ENV14 = (£100k) ENV34 = (£40k) | |
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| | | | | | | | | 2019/20 | |
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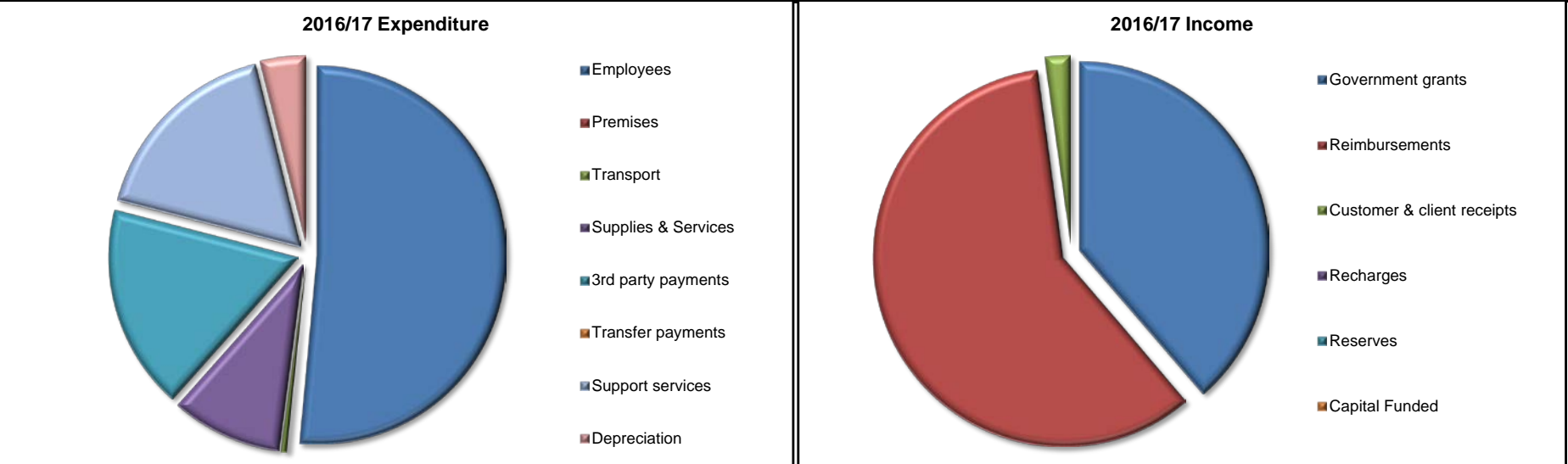
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | |
|---|----------|------------------|----------------------|-------------------------------|---|------------|--------|
| Property | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | |
| | | | | | | Likelihood | Impact |
| Project 1 | | Project Title: | West Barnes Library | Infrastructure renewal | 2 | 2 | 4 |
| Start date | 2012-13 | Project Details: | | | | | |
| End date | on going | | | | | | |
| Project 2 | | Project Title: | P4/Broadway Car Park | Improved efficiency (savings) | 1 | 2 | 2 |
| Start date | 2012-13 | Project Details: | | | | | |
| End date | on going | | | | | | |

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | |
|---|---------|--|--|-------------------------------|---|------------|--------|
| Regulatory Services Partnership | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFITS | | Risk | |
| | | | | | | Likelihood | Impact |
| Project 1 | | Project Title: Project Details: | Expansion of shared 'regulatory' service Potential expansion of the Regulatory Services Partnership to include the London Borough of Wandsworth in 2017. | Economic outcomes | 3 | 2 | 6 |
| Start date | 2016-17 | | | | | | |
| End date | 2017-18 | | | | | | |
| Project 2 | | Project Title: Project Details: | Work with Public Health England to deliver 'Healthy Catering Commitment' Public Health have funded a 1 year fixed term contract for an Environmental Health Officer to deliver this project | Improved effectiveness | 2 | 1 | 2 |
| Start date | 2015-16 | | | | | | |
| End date | 2016-17 | | | | | | |
| Project 3 | | Project Title: Project Details: | Rationalisation of administration and licensing teams Rationalisation of the Merton and Richmond administration and licensing teams to improve business processes, generate efficiencies and improve the outcomes for customers | Improved effectiveness | 2 | 1 | 2 |
| Start date | 2015-16 | | | | | | |
| End date | 2016-17 | | | | | | |
| Project 4 | | Project Title: Project Details: | Procurement of a new ICT case management system Contribution to the ICT led procurement of a new computer system for E&R and potential joint procurement with Richmond and Wandsworth | Improved efficiency (savings) | 3 | 2 | 6 |
| Start date | 2014-15 | | | | | | |
| End date | 2016-17 | | | | | | |
| Project 5 | | Project Title: Project Details: | Investigation of contaminated land at Marlowe Square Assess outcomes of wide scale soil sampling activities and develop action plan for treatment/remediation as necessary to reduce the risk of harm to local residents | Risk reduction and compliance | 5 | 2 | 10 |
| Start date | 2013-14 | | | | | | |
| End date | 2016-17 | | | | | | |
| Project 6 | | Project Title: Project Details: | Design and implement a joint Merton/Richmond budget Design and implement a joint revenue (income & expenditure) budget on a 50/50 costs apportionment model | Economic outcomes | 2 | 1 | 2 |
| Start date | 2014-15 | | | | | | |
| End date | 2016-17 | | | | | | |

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| Safer Merton | Planning Assumptions | | | | | | | The Corporate strategies your | | | |
|---|---|---|------------|------------|------------|------------|------------|---------------------------------------|-------------------|-----------------------|----------------------------------|
| Cllr Edith Joan Macauley Cabinet Member for Engagement & Equality | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | service contributes to | | | |
| Enter a brief description of your main activities and objectives below | Number of new ASB cases | 609 | 620 | 640 | 640 | 600 | 600 | Adult Treatment Plan | | | |
| Safer Merton is a partnership of the statutory, voluntary and business sector partners who work together to combat crime & disorder and increase safety & the perceptions of safety, within the borough. The team consists of Voluntary Sector and Police and Health funded staff. The delivery of Crime and Disorder reduction is achieved through a range of interventions such as • Tackling anti social behaviour and domestic violence • Managing Neighbourhood Watch • Other support and commissioned services are part of the team's remit as well as ensuring that the council is compliant with legislation. The service is managed through the council, and delivered in partnership with Police, Probation and other stakeholder services The Statutory duty of the council consists of: • A duty to establish a crime and disorder partnership • Complete an annual strategic assessment and agree a plan with partners in response • Respond to and deal with crime and disorder through evidence based analytical work • Delivering Anti-Social Behaviour actions and interventions • Specific duties around Domestic Violence. | Population | 208,822 | 211,569 | 214,229 | 216,806 | 216,806 | 216,806 | Anti Social Behaviour | | | |
| | No. Multi Agency Risk Assessment cases (domestic abuse) | 158 | 160 | 162 | 162 | 162 | 162 | Central Government | | | |
| | Clients presenting at the One Stop Shop | 230 | 260 | 280 | 280 | 290 | 300 | Children & Young person's Plan | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Community Plan | | | |
| | Staff (FTE) | 21.97 | 18.83 | 9.10 | 7.10 | 7.10 | 7.10 | Crime & Disorder (partnership plan) | | | |
| | | | | | | | | E Merton & Mitcham N'bourhood Renewal | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| % of residents worried about drunk & rowdy behaviour (ARS) | 44 | 40 | 39 | 39 | 38 | 38 | Low | Annual | Perception | Reputational risk | |
| % of residents worried about ASB (ARS) | 43 | 43 | 42 | 42 | 41 | 41 | Low | Annual | Perception | Reputational risk | |
| % of residents worried about crime (ARS) | 50 | 50 | 49 | 49 | 48 | 48 | Low | Annual | Perception | Reputational risk | |
| Multi Agency Risk Assessment cases - domestic abuse | 129 | 141 | 153 | 153 | 153 | 153 | High | Monthly | Business critical | Breach statutory duty | |
| | | | | | | | | | | | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 1,632 | 1,456 | 1,502 | 1,444 | 1,377 | 1,382 | 1,385 |
| Employees | 848 | 758 | 741 | 743 | 673 | 673 | 673 |
| Premises | 2 | 5 | 2 | 2 | 2 | 2 | 2 |
| Transport | 7 | 1 | 7 | 7 | 7 | 7 | 7 |
| Supplies & Services | 179 | 164 | 142 | 137 | 139 | 142 | 144 |
| 3rd party payments | 272 | 194 | 251 | 252 | 253 | 255 | 256 |
| Transfer payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Support services | 230 | 240 | 234 | 247 | 247 | 247 | 247 |
| Depreciation | 94 | 94 | 125 | 56 | 56 | 56 | 56 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 395 | 359 | 278 | 279 | 279 | 279 | 279 |
| Government grants | 226 | 203 | 108 | 108 | 108 | 108 | 108 |
| Reimbursements | 163 | 154 | 164 | 165 | 165 | 165 | 165 |
| Customer & client receipts | 6 | 2 | 6 | 6 | 6 | 6 | 6 |
| Recharges | | | | | | | |
| Reserves | | | | | | | |
| Capital funded | | | | | | | |
| Council Funded Net Budget | 1,237 | 1,097 | 1,224 | 1,165 | 1,098 | 1,103 | 1,106 |



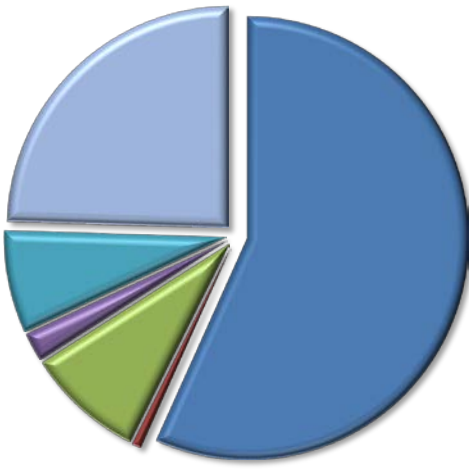
| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 | Summary of major budget etc. changes | | | | | | | | | | | | | | | | | | | | | | |
|---|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------------|-----------------|-----------------|------|-------|-------|------|-------|--|------|-------|--|------|-------|--|------|-------|--|------|-------|--|----------------|--|
| | | | | | | | | 2016/17 | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2017/18 | | | | | | | | | | | | | | | | | | | | | | |
| <table><caption>Budget and Actual Data</caption><tr><th>Year</th><th>Budget (£'000s)</th><th>Actual (£'000s)</th></tr><tr><td>2014</td><td>1,237</td><td>1,097</td></tr><tr><td>2015</td><td>1,224</td><td></td></tr><tr><td>2016</td><td>1,165</td><td></td></tr><tr><td>2017</td><td>1,098</td><td></td></tr><tr><td>2018</td><td>1,103</td><td></td></tr><tr><td>2019</td><td>1,106</td><td></td></tr></table> | | | | | | | | Year | Budget (£'000s) | Actual (£'000s) | 2014 | 1,237 | 1,097 | 2015 | 1,224 | | 2016 | 1,165 | | 2017 | 1,098 | | 2018 | 1,103 | | 2019 | 1,106 | | E&R43 = (£70k) | |
| | | | | | | | | Year | Budget (£'000s) | Actual (£'000s) | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | 2014 | 1,237 | 1,097 | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | 2015 | 1,224 | | | | | | | | | | | | | | | | | | | | | |
| 2016 | 1,165 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 1,098 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 1,103 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 1,106 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018/19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 2019/20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | | | |
|---|--|----------------|--|--|------------------------|--|--|------------|--------|------------------|-----------------------------------|
| Safer Merton | | | | | | | | | | | |
| PROJECT DESCRIPTION | | | | | MAJOR PROJECT BENEFITS | | | Risk | | | |
| | | | | | | | | Likelihood | Impact | Score | |
| Project 1 | | Project Title: | | | | | | | 0 | | |
| Start date | | | | | | | | | | Project Details: | There are no projects for 2016/17 |
| End date | | | | | | | | | | | |

| Street Cleaning | | | | | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | | | |
|--|--|-----|-----|-----|--|-----|---|------------|------------|------------|----------------|--|----------------------------------|-----------------|----------------|----------------------------------|
| Cllr Judy Saunders Cabinet Member for Performance & Implementation | | | | | Anticipated demand | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Anti Social Behaviour | | | |
| Enter a brief description of your main activities and objectives below | | | | | Population | | 208,822 | 211,569 | 214,229 | 216,806 | 218,000 | 220,000 | Performance Management Framework | | | |
| <p>Street Cleaning: to improve the street scene by maintaining the public highway, collecting fly tips, removing litter, detritus, graffiti, fly posting and keeping gullies clean. Enforcement: to improve the street scene by education, advice and enforcement, reducing fly tipping, litter, dog fouling, abandoned vehicles, graffiti and fly posting; and collecting stray dogs.</p> <p>Winter Gritting: delivering an efficient service in accordance with Highways section priorities.</p> <p>Objectives</p> <ul style="list-style-type: none">● fulfil the council's statutory responsibilities in respect of street cleansing● maximise efficiencies through co-ordinated and partnership working● provide value for money services that meet the needs of residents and businesses● champion the needs of the service users● improve our customer information and improve feedback● protect and care for the welfare and development of our employees, the environment, our customers and the local community in which we operate● provide a safe and supportive environment for all our employees and strive for outstanding health and safety performance● provide a customer focussed approach to service design and improvement● improve levels of satisfaction with services provided. | | | | | Housing Properties | | 81,000 | 81,400 | 81,800 | 82,100 | 82400 | 85000 | Waste Management Plan | | | |
| | | | | | Kilometers of Roads | | 375 | 375 | 375 | 375 | 375 | Community Plan | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | Anticipated non financial resources | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | | | | | Staff (FTE) | | 127.00 | 127.00 | 116.00 | 100.00 | 100.00 | 100.00 | | | | |
| | | | | | Transport | | 26 | 26 | 26 | 26 | 26 | 26 | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | Performance indicator | | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | | | | | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| | | | | | % Residents satisfied with street cleanliness | | 60 | 56 | 57 | 58 | 59 | 59 | High | Annual | Perception | Reputational risk |
| | | | | | % Sites surveyed below standard for litter | | 7.5 | 9.5 | 9 | 8.5 | 8 | 8 | Low | Quarterly | Perception | Reputational risk |
| | | | | | % Sites surveyed below standard for Detritus | | 12 | 15 | 14.5 | 14 | 13.5 | 13.5 | Low | Quarterly | Perception | Reputational risk |
| | | | | | % Sites surveyed below standard for graffiti | | 5.0 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | Low | Quarterly | Perception | Reputational risk |
| | | | | | % Sites surveyed below standard for weeds | | 14.00 | 13.50 | 12.00 | 12.5 | 12 | 12 | Low | Quarterly | Perception | Reputational risk |
| | | | | | Number of fly tips reported | | 3200 | 3700 | 3600 | 3500 | 3400 | 3400 | Low | Monthly | Outcome | Reputational risk |
| | | | | | Days lost through sickness per FTE | | 10 | 15 | 14 | 13 | 12 | 12 | Low | Quarterly | Outcome | Increased costs |
| | | | | | % Sites surveyed below standard for flyposting | | 1 | 1 | 1 | 1 | 1 | 1 | Low | Quarterly | Perception | Reputational risk |
| % of FPNs issued that have been paid | | New | 65% | 68% | 70% | 72% | 72% | High | Monthly | Output | Loss of income | | | | | |


| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 5,535 | 5,580 | 5,944 | 5,461 | 4,877 | 4,891 | 4,908 |
| Employees | 3,270 | 3,351 | 3,289 | 3,097 | 2,602 | 2,602 | 2,602 |
| Premises | 27 | 35 | 37 | 37 | 31 | 31 | 32 |
| Transport | 482 | 474 | 482 | 469 | 397 | 404 | 411 |
| Supplies & Services | 160 | 158 | 160 | 115 | 98 | 99 | 101 |
| 3rd party payments | 428 | 365 | 435 | 404 | 410 | 416 | 423 |
| Transfer payments | | | | | | | |
| Support services | 1,168 | 1,197 | 1,447 | 1,339 | 1,339 | 1,339 | 1,339 |
| Depreciation | 0 | 0 | 94 | 0 | 0 | 0 | 0 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 452 | 587 | 452 | 472 | 469 | 467 | 467 |
| Government grants | | | | | | | |
| Reimbursements | | | | | | | |
| Customer & client receipts | 452 | 587 | 452 | 472 | 469 | 467 | 467 |
| Recharges | | | | | | | |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 5,083 | 4,993 | 5,492 | 4,989 | 4,408 | 4,424 | 4,441 |
| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
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| | | | | | | | |
| | | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

2016/17 Expenditure



■ Employees
■ Premises
■ Transport
■ Supplies & Services
■ 3rd party payments
■ Transfer payments
■ Support services
■ Depreciation

2016/17 Income



■ Government grants
■ Reimbursements
■ Customer & client receipts
■ Recharges
■ Reserves
■ Capital Funded

| Summary of major budget etc. changes | |
|--------------------------------------|---|
| 2016/17 | EN14 = (£100k) E&R17 = (£134k) E&R20 = (£20k) E&R22 = (£42k) |
| 2017/18 | E&R16 = (£600k) E&R20 = £3k |
| 2018/19 | E&R20 = £2k |
| 2019/20 | |

£'000s

6,000

5,000

4,000

3,000

2,000

1,000

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2014

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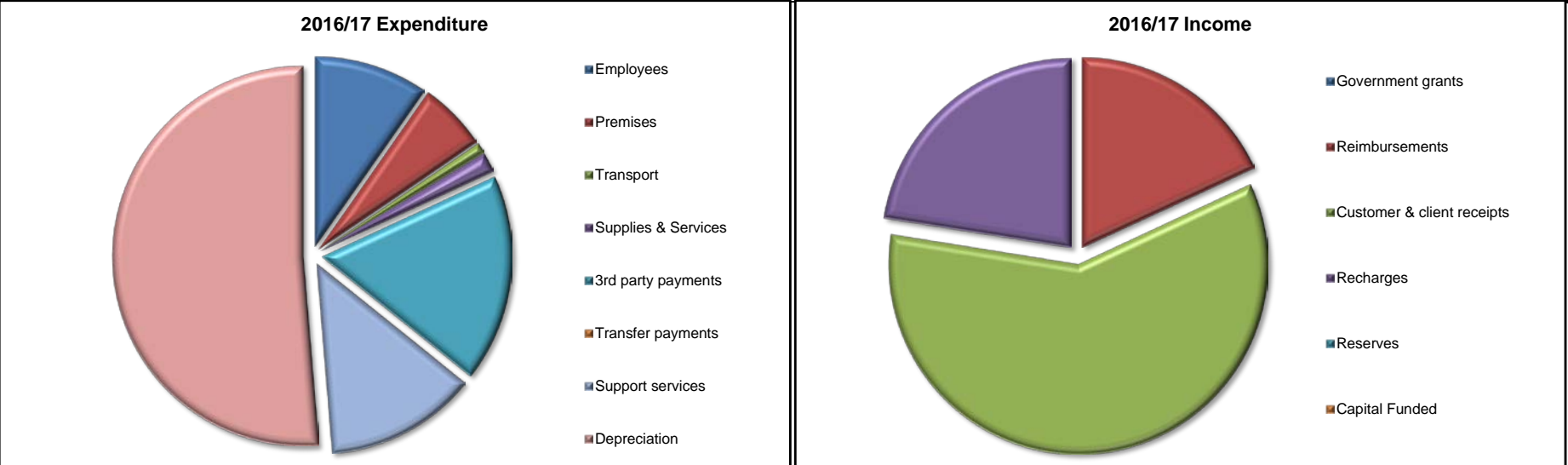
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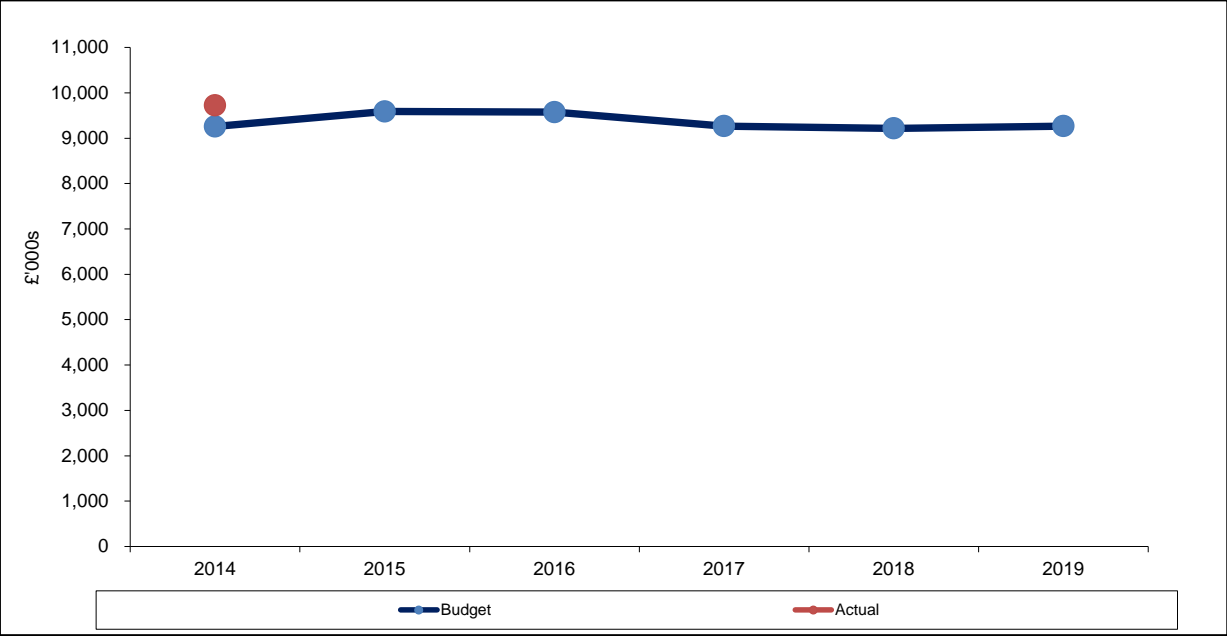
| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | |
|---|---------|--|--|------------------------------|--|------------|--------|-------|
| Street Cleaning | | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | | |
| | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | Introduce mobile working This to introduce the use of handheld devices for all operators enabling receiving of reports from residents and also to report any to the office. | Improved effectiveness | | 2 | 2 | 4 |
| Start date | 2014-15 | | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 2 | | Project Title: Project Details: | Introduce timed commercial waste collections in town centres Introduce time banded waste collections in town centres starting with Wimbledon and Morden town centre now completed. We are expanding this to include Colliers Wood and Mitcham town centres in the future. | Improved customer experience | | 2 | 2 | 4 |
| Start date | 2013-14 | | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 3 | | Project Title: Project Details: | Review Street Cleansing equipment Review of Mechanicals sweeping resource with a view to consider more flexible vehicles. Procurement of new pedestrian vehicles (Gluttons) has been completed - 5 in operation across the borough. Two more machines being purchased. | Improved effectiveness | | 2 | 2 | 4 |
| Start date | 2014-15 | | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 4 | | Project Title: Project Details: | Increase Enforcement Capacity Procurement is currently in progress with the aim of securing a two year contract for additional enforcement capacity for littering and dog fouling offences. OJEU issued Oct 2015. | Improved reputation | | 3 | 1 | 3 |
| Start date | 2014-15 | | | | | | | |
| End date | 2016-17 | | | | | | | |

| Traffic & Highways | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | |
|---|-------------------------------------|---------|---------|---------|---------|---------|---------|--|--|
| Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| Enter a brief description of your main activities and objectives below The service discharges the council's responsibilities as a Highway, Traffic and Local Flood Risk Authority, assists with its responsibilities as a Local Planning Authority and assists in the delivery of the Community Plan vision. It maintains 12,673 street lights, 363.5 kms of road network and 16,500 trees on the public highway with an anticipated additional 70 new trees planted per year. The main aims of the service are to: • Ensure the safe and expeditious movement of all traffic on the Highway Network. • Improve the condition of the highway network • Improve the Public Realm. • Improve the Street Scene. • Improve the quality of life of local residents Objectives: The overall objectives of the Service is to effectively maintain and manage the highway network and to ensure that this network is safe and serviceable for all road users. Specific Objectives: Introduce Mobile working Channel shift and move to on-line self service system | Street lights | 12,673 | 12,673 | 12,673 | 12,673 | 12,673 | 12,673 | Road Safety Plan | |
| | Number of trees to be maintained | 16,640 | 16,710 | 16,710 | 16,710 | 16,710 | 16,710 | Local Transport Plan | |
| | Network Maintenance and Improvement | 363.5km | 363.5km | 363.5km | 363.5km | 363.5km | 363.5km | Local Implementation Plan | |
| | Number of Streetwork Permits issued | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | Capital Programme | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Local Development Framework | |
| | Staff (FTE) | 36.60 | 26.60 | 24.00 | 23.00 | 23.00 | 23.00 | | |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 12,363 | 11,866 | 11,895 | 11,784 | 11,535 | 11,484 | 11,533 |
| Employees | 1,819 | 1,585 | 1,333 | 1,143 | 1,113 | 1,113 | 1,113 |
| Premises | 702 | 707 | 732 | 686 | 548 | 557 | 566 |
| Transport | 128 | 126 | 128 | 107 | 108 | 110 | 112 |
| Supplies & Services | 263 | 169 | 252 | 198 | 201 | 204 | 207 |
| 3rd party payments | 2,277 | 2,447 | 2,414 | 2,080 | 1,995 | 1,930 | 1,965 |
| Transfer payments | | | | | | | |
| Support services | 1,259 | 917 | 1,385 | 1,524 | 1,524 | 1,524 | 1,524 |
| Depreciation | 5,915 | 5,915 | 5,651 | 6,046 | 6,046 | 6,046 | 6,046 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 3,104 | 2,140 | 2,307 | 2,211 | 2,266 | 2,266 | 2,266 |
| Government grants | 280 | 243 | 219 | 0 | 0 | 0 | 0 |
| Reimbursements | 834 | 389 | 362 | 400 | 400 | 400 | 400 |
| Customer & client receipts | 1,493 | 1,477 | 1,229 | 1,314 | 1,369 | 1,369 | 1369 |
| Recharges | 497 | 31 | 497 | 497 | 497 | 497 | 497 |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 9,259 | 9,726 | 9,588 | 9,573 | 9,269 | 9,218 | 9,267 |



| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|-----------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Highways Gen Planned Works | | 511 | 484 | 419 | 419 | 422 | 427 |
| Footways Planned Works | | 1,002 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Street Lighting | | 421 | 600 | 462 | 290 | 509 | 290 |
| Street Scene | | 59 | 151 | 60 | 60 | 60 | 60 |
| Highways Planned Road Works | | 1,757 | 1,500 | 1,500 | 1,500 | 1,500 | 1,250 |
| Transport For London | | 1,906 | 2,878 | 1,754 | 1,845 | 1,865 | TBA |
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| | 0 | 5,655 | 6,613 | 5,195 | 5,114 | 5,356 | 3,027 |



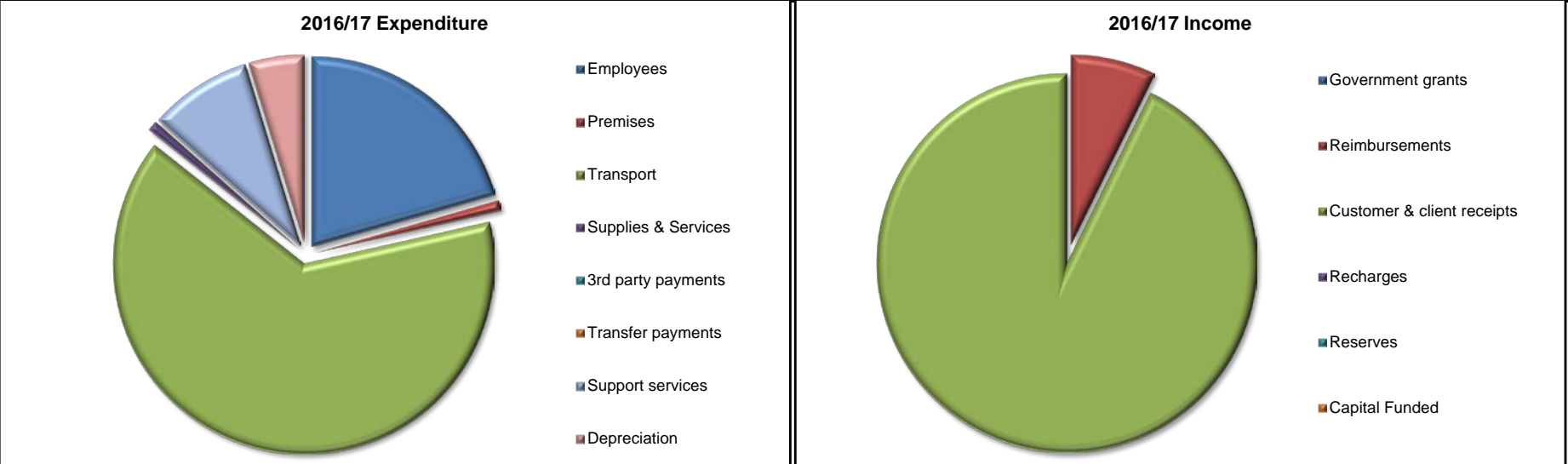
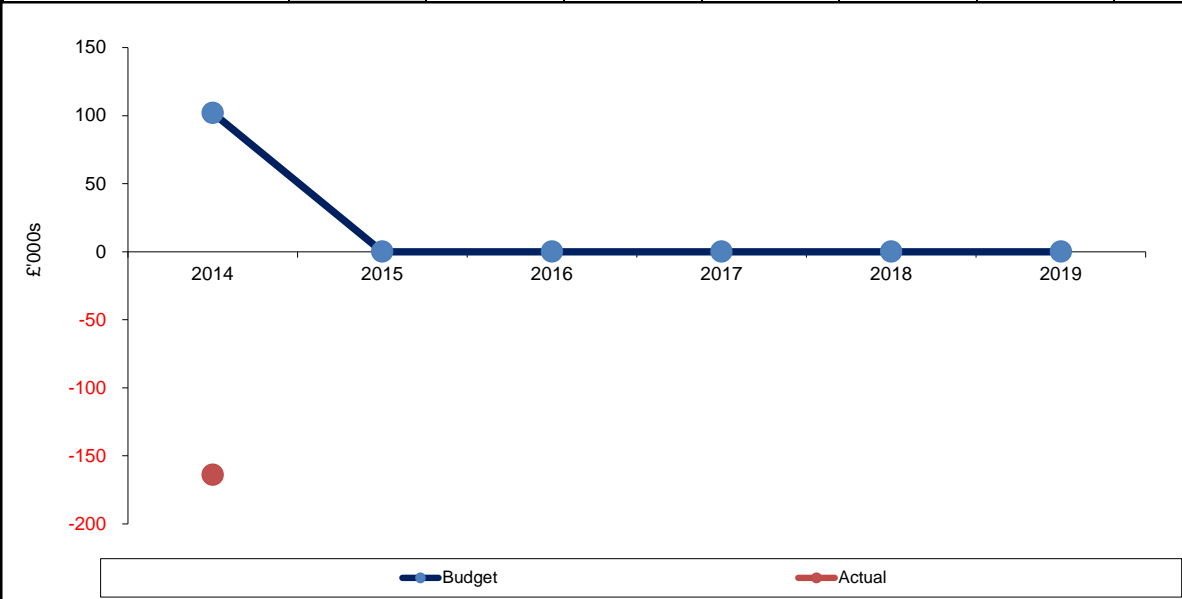
| Summary of major budget etc. changes 2016/17 | |
|--|--|
| ER23 = (53k) EN27 = (£10k) EN30 = (£20k) EN31 = (£30k) EN32 = (£10k) E&R32 = (£20k) E&R35 = (£25k) E&R36 = (£60k) E&R38 = (£50k) E&R39 = (£50k) | |
| 2017/18 | |
| E&R32 = (£5k) E&R34 = (£30k) E&R35 = (£25k) E&R37 = (£50k) ENV15 = (£148k) ENV16 = (£65k) | |
| 2018/19 | |
| ENV16 = (£65k) ENV17 = (£35k) | |
| 2019/20 | |
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| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | |
|---|---------|--|---|-------------------------|---|------------|--------|-------|
| Traffic & Highways | | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | | |
| | | | | | | Likelihood | Impact | Score |
| Project 1 | | Project Title: Project Details: | Flood and Water Management Schemes Development and adoption of Local Flood Risk Management Strategy. | Improved reputation | 1 | 1 | 1 | |
| Start date | 2013-14 | | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 2 | | Project Title: Project Details: | Delivery of Mitcham Town Centre scheme Major improvement to road network around Mitcham Town Centre dependent on approval from TfL | Improved reputation | 4 | 3 | 12 | |
| Start date | 2013-14 | | | | | | | |
| End date | 2017-18 | | | | | | | |
| Project 3 | | Project Title: Project Details: | On-line self Service System Move to on-line self service system | Improved effectiveness | 2 | 2 | 4 | |
| Start date | 2015-16 | | | | | | | |
| End date | 2016-17 | | | | | | | |
| Project 4 | | Project Title: Project Details: | 4 Year Work Programme Development and delivery of a 4 year Capital funded work programme across the borough | Improved reputation | 2 | 1 | 2 | |
| Start date | 2015-16 | | | | | | | |
| End date | 2019-20 | | | | | | | |
| Project 5 | | Project Title: Project Details: | Street Lighting Investment - Conversion to LED Conversion to LED to generate energy saving targets and reduce on-going maintenance costs | Improved sustainability | 2 | 2 | 4 | |
| Start date | 2015-16 | | | | | | | |
| End date | 2018-19 | | | | | | | |

| Transport | Planning Assumptions | | | | | | | The Corporate strategies your | | | |
|--|--|---|------------|------------|------------|------------|------------|--------------------------------|-----------------|-------------------|----------------------------------|
| Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration | Anticipated demand | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | service contributes to | | | |
| Enter a brief description of your main activities and objectives below | CSF Passenger Journeys - Contractors | 95000 | 95000 | 95000 | 95000 | 95000 | 95000 | Capital Programme | | | |
| To provide a comprehensive and effective Home to School and Vulnerable Adults transport service, in support of the user departments such as Children Schools & Families and Community & Housing using the in-house fleet and taxi providers. Providing self drive vehicles for the in-house departments (Waste Operations, Leisure, Parking etc.) which require vehicles to carry out their services. Full fleet management is provided to support the council fleet of vehicles. This includes all servicing, repairs maintenance and Operators Licence requirements. Providing health & safety and vehicle related in-house training to all council staff and external organisations Procurement of vehicles for the authority, ensuring departments get the vehicles which suit their services, and provide assistance on vehicle specifications. | CSF Passenger Journeys - In-House | 70000 | 70000 | 70000 | 70000 | 70000 | 70000 | Children & Young person's Plan | | | |
| | C&H Passenger Journeys - Contractors | 50000 | 50000 | 50000 | 50000 | 50000 | 50000 | Adult Treatment Plan | | | |
| | C&H Passenger Journeys - In-House | 85000 | 70000 | 70000 | 70000 | 70000 | 70000 | Customer Services Strategy | | | |
| | Anticipated non financial resources | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | No. of Commissioned Taxi Framework contractors | 34 | 34 | 34 | 34 | 34 | 34 | | | | |
| | Staff | 63 | 62.75 | 60.99 | 60.99 | 59.99 | 59.99 | | | | |
| | No.Transport Fleet vehicles | 192 | 192 | 192 | 192 | 192 | 192 | | | | |
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| | Performance indicator | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| Objectives | Spot checks on contractors | 50 | 50 | 50 | 50 | 50 | 50 | High | Monthly | Business critical | Reduced customer service |
| Ensuring that the service provided by Transport is effective, and value for money while still meeting customers expectations. | % MOT vehicle pass rates | 95 | 95 | 95 | 95 | 95 | 95 | High | Quarterly | Outcome | Reduce customer service |
| Procurement of goods & services for the workshop area. Ensuring value for money and complying with authorities' standing orders. | Average % passenger vehicles in use | 65 | 85 | 85 | 85 | 85 | 85 | High | Quarterly | Unit cost | Increased costs |
| Procurement of replacement vehicles for the whole of the authority. | % in-house journey that meet timescales | 85 | 85 | 85 | 85 | 85 | 85 | High | Annual | Outcome | Incresed costs |
| We will ensure legal compliance with regards to all statutory requirements for road tranport services including operators' licence requirements. | % Client user satisfaction | 97 | 97 | 97 | 97 | 97 | 97 | High | Annual | Outcome | Reduce update of service |
| | Sickness - average days per FTE | 12 | 12.5 | 11.5 | 11 | 10.5 | 10 | High | Monthly | Unit cost | Increased costs |
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| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 9,970 | 9,943 | 9,766 | 9,710 | 9,807 | 9,874 | 9,970 |
| Employees | 2,102 | 2,007 | 1,996 | 2,000 | 2,000 | 1,970 | 1,970 |
| Premises | 90 | 78 | 93 | 85 | 86 | 87 | 87 |
| Transport | 6,396 | 6,440 | 6,316 | 6,233 | 6,327 | 6,422 | 6,517 |
| Supplies & Services | 96 | 97 | 98 | 84 | 86 | 87 | 88 |
| 3rd party payments | | | | | | | |
| Transfer payments | | | | | | | |
| Support services | 752 | 787 | 876 | 847 | 847 | 847 | 847 |
| Depreciation | 534 | 534 | 387 | 461 | 461 | 461 | 461 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 9,868 | 10,107 | 9,766 | 9,710 | 9,807 | 9,874 | 9,970 |
| Government grants | | | | | | | |
| Reimbursements | 911 | 729 | 911 | 703 | 703 | 703 | 703 |
| Customer & client receipts | 8,957 | 9,372 | 8,855 | 9,007 | 9,104 | 9,171 | 9,267 |
| Recharges | | 6 | | | | | |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 102 | (164) | 0 | 0 | 0 | 0 | 0 |

| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|----------------------------|----------------------|---|----------------|----------------|----------------|----------------|----------------|
| Replacement Fleet Vehicles | | 289 | 802 | 500 | 500 | 500 | 350 |
| Other | | | 14 | 62 | | | |
| | | At present there is no provision for the implementation of the South London Partnership | | | | | |
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| | 0 | 289 | 816 | 562 | 500 | 500 | 350 |



| Summary of major budget etc. changes | |
|--------------------------------------|--|
| 2016/17 | |
| | |
| 2017/18 | |
| | |
| 2018/19 | |
| ENV32 = (£30k) ENV37 = (£35k) | |
| 2019/20 | |
| | |

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | |
|---|---------|------------------|--|-------------------------------|---|------------|--------|
| Transport | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | |
| | | | | | | Likelihood | Impact |
| Project 1 | | Project Title: | New Joint Passenger Transport Framework | Improved efficiency (savings) | 2 | 2 | 4 |
| Start date | 2015-16 | Project Details: | | | | | |
| End date | 2019-20 | | | | | | |
| Project 2 | | Project Title: | Benchmarking - Internal Services | Improved efficiency (savings) | 2 | 2 | 4 |
| Start date | 2014-15 | Project Details: | | | | | |
| End date | 2016-17 | | | | | | |
| | | | To carry out benchmarking exercises on internal services to find alternative options, value for money and possible savings to client departments | | | | |

| Waste Management | | | | | Planning Assumptions | | | | | | | The Corporate strategies your service contributes to | | | | |
|--|--|-----|-----|-----|---|-----|---|------------|------------|------------|--------------------------|--|----------------------------------|-----------------|-------------------|----------------------------------|
| Cllr Judy Saunders Cabinet Member for Performance & Implementation | | | | | Anticipated demand | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Waste Management Plan | | | |
| Enter a brief description of your main activities and objectives below | | | | | Population | | 208,822 | 211,569 | 214,229 | 216,806 | 218000 | 220000 | Performance Management Framework | | | |
| <p>As a unitary authority, Merton is responsible for both household waste collection and disposal. Household Reuse and Recycling Centres - Merton is required to provide facilities for the disposal of excess household and garden waste free of charge.</p> <p>Objectives</p> <ul style="list-style-type: none">● provide efficient and accessible services to all of our customers, including those with specific needs.● to advise our customers on the services provided and to keep improving our services in line with customer needs.● promote public awareness of waste minimisation and encourage re-use and recycling through information, education and empowerment. | | | | | Anticipated free bulky waste requests per annum | | 15000 | 15600 | 15900 | 16000 | 16100 | 16100 | London wide strategy | | | |
| | | | | | Total household waste tonnage | | 71,000 | 71,000 | 71,000 | 71,000 | 71,000 | 71000 | Climate Change Strategy | | | |
| | | | | | Anticipated number of Garden waste customers | | | 6012 | 6312 | 6612 | 6912 | 7000 | | | | |
| | | | | | Anticipated non financial resources | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | |
| | | | | | Staff (FTE) | | 110.79 | 112.19 | 114.19 | 94.19 | 90.19 | 90.19 | | | | |
| | | | | | Transport | | 31 | 29 | 29 | 29 | 29 | 29 | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | Performance indicator | | Performance Targets (T) & Provisional Performance Targets (P) | | | | | | Polarity | Reporting cycle | Indicator type | Main impact if indicator not met |
| | | | | | | | 2014/15(T) | 2015/16(T) | 2016/17(P) | 2017/18(P) | 2018/19(P) | 2019/20(P) | | | | |
| | | | | | % Household waste recycled | | 42 | 38 | 38 | 40 | TBC | TBC | High | Monthly | Business critical | Reputational risk |
| | | | | | % Residents satisfied with refuse collection | | 74 | 72 | 74 | 76 | 77 | 77 | High | Annual | Perception | Reputational risk |
| | | | | | Residual waste kg per household pa | | 504 | 580 | 580 | 580 | TBC | TBC | Low | Monthly | Outcome | Increased costs |
| % Municipal solid waste landfilled | | 47 | 60 | 59 | 57 | 57 | 56 | Low | Monthly | Outcome | Increased costs | | | | | |
| Number of missed bins per 100,000 | | 55 | 55 | 50 | 50 | 50 | 50 | Low | Monthly | Outcome | Reduced customer service | | | | | |
| Total waste arising per household Kg | | 873 | 910 | 910 | 910 | TBC | TBC | Low | Monthly | Outcome | Reputational risk | | | | | |
| Days lost from sickness per FTE | | 10 | 15 | 14 | 13 | 12 | 12 | Low | Quarterly | Outcome | Increased costs | | | | | |
| % Residents satisfied with recycling facilities | | 75 | 73 | 74 | 75 | 76 | 76 | High | Annual | Perception | Reputational risk | | | | | |
| | | | | | | | | High | Annual | Output | Reduced customer service | | | | | |

| DEPARTMENTAL BUDGET AND RESOURCES | | | | | | | |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Expenditure | 14,221 | 15,059 | 13,985 | 13,474 | 12,082 | 12,055 | 12,177 |
| Employees | 3,743 | 4,098 | 3,686 | 3,961 | 3,141 | 2,991 | 2991 |
| Premises | 141 | 114 | 139 | 126 | 121 | 122 | 122 |
| Transport | 1,354 | 1,235 | 1,306 | 1,267 | 1,072 | 1,092 | 1112 |
| Supplies & Services | 843 | 680 | 818 | 452 | 323 | 331 | 339 |
| 3rd party payments | 6,077 | 6,868 | 5,977 | 5,665 | 5,422 | 5,516 | 5610 |
| Transfer payments | 2 | | 2 | 2 | 2 | 2 | 2 |
| Support services | 1,360 | 1,363 | 1,355 | 1,358 | 1,358 | 1,358 | 1358 |
| Depreciation | 701 | 701 | 702 | 643 | 643 | 643 | 643 |
| Revenue £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
| Income | 1,779 | 1,785 | 1,398 | 1,544 | 1,696 | 1,705 | 1,705 |
| Government grants | 265 | 245 | | 0 | 0 | 0 | 0 |
| Reimbursements | 236 | 216 | 98 | 171 | 171 | 171 | 171 |
| Customer & client receipts | 640 | 676 | 640 | 630 | 782 | 791 | 791 |
| Recharges | 638 | 648 | 660 | 743 | 743 | 743 | 743 |
| Reserves | | | | | | | |
| Capital Funded | | | | | | | |
| Council Funded Net Budget | 12,442 | 13,274 | 12,587 | 11,930 | 10,386 | 10,350 | 10,472 |

2016/17 Expenditure

- Employees
- Premises
- Transport
- Supplies & Services
- 3rd party payments
- Transfer payments
- Support services
- Depreciation

2016/17 Income

- Government grants
- Reimbursements
- Customer & client receipts
- Recharges
- Reserves
- Capital Funded

| Capital Budget £'000s | Final Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 | Budget 2019/20 |
|--------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Waste Management Schemes | | 95 | 370 | 46 | 46 | 46 | 40 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | 0 | 95 | 370 | 46 | 46 | 46 | 40 |

Summary of major budget etc changes 2016/17

E&R17 = (£23k)
E&R18 = (£70k)
E&R19 = (£50k)
E&R21 = (£30k)

WCSS reserve adjustment = (£275k)

2017/18

EV08 = (£250k)
E&R16 = (£900k)
ENV25 = (£191k)
ENV26 = (£20k)
ENV27 = (£66k)
ENV28 = (£37k)
ENV29 = (£20k)
ENV30 = (£30k)
ENV31 = (£102k)
ENV36 = (£50k)

2018/19

ENV31 = (£9k)
ENV35 = (£150k)

2019/20

£'000s

2014 2015 2016 2017 2018 2019

Budget Actual

| DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD | | | | | | | | | |
|---|---------|--|---|-----------------------|---|------------|--------|-------|---|
| Waste Management | | | | | | | | | |
| PROJECT DESCRIPTION | | | | MAJOR PROJECT BENEFIT | | Risk | | | |
| | | | | | | Likelihood | Impact | Score | |
| Project 1 | | Project Title: Project Details: | South London waste partnership (phase B) | | Improved efficiency (savings) to ensure sustainable and affordable waste disposal solutions mitigating the need for Landfill | | 2 | 4 | 8 |
| Start date | 2012-13 | | The partnership manages the waste disposal for Merton, Kingston, Croydon and Sutton. Management consists of disposing waste in a sustainable manner and to ensure cost effectiveness. Interim service commencing on 1 April 2014. A rolling 3 month plan to be developed covering Communications, Construction and Operational plans for the construction period and commisioning of new facility. | | | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 2 | | Project Title: Project Details: | Mobile technology including GPS and in cab monitors | | Improved efficiency (savings) | | 3 | 2 | 6 |
| Start date | 2014-15 | | Procurement and introduction of the GPS, driver behavioural management, route optimisation system. This project has been delayed as planned to introduce during 2014-15. Will not start to be implemented until 2015-16, planned savings have been deferred. Revised specification and service requirements amended. | | | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 3 | | Project Title: Project Details: | LWARB efficiency review of Domestic waste collections | | Improved efficiency (savings) | | 2 | 2 | 4 |
| Start date | 2014-15 | | Review of existing service to ensure we have the most efficient service and consider options for the future. Phase one completed need to agree if we move forward with phase 2. | | | | | | |
| End date | 2016-17 | | | | | | | | |
| Project 4 | | Project Title: Project Details: | South London waste partnership (phase C) | | Improved efficiency (savings) | | 3 | 2 | 6 |
| Start date | 2014-15 | | The SLWP includes Merton, Sutton, Croydon and Kingston. If Members of the 4 boroughs agree the partnership will procure contracts for a wide range of environmental services including : waste collection, street cleansing , grounds and parks maintenance, winter gritting and fleet maintenance as well as commercial waste collection. On schedule for contract award December 2016 with contract start date of April 17. | | | | | | |
| End date | 2017-18 | | | | | | | | |

Section F

List of Revenue Savings 2016-20

G) LIST OF REVENUE SAVINGS 2016-20

Contained in the Members Pack

Section G

Revenue Estimates 2016-17

G) REVENUE ESTIMATES 2015-16

In section 2 of the report

BUSINESS PLAN - GLOSSARY OF TERMS

ANNUAL MINIMUM REVENUE PROVISION

The council is required to pay off an element of the accumulated General Fund capital spend each financial year through a revenue charge, as required by the Local Government and Housing Act 1989.

ASSET MANAGEMENT PLAN / REVIEW

An Asset Management Plan (AMP) is a tactical plan for managing an organisation's infrastructure and other assets to deliver an agreed standard of service. This information is reviewed annually.

BALANCES

Balances are maintained to meet expenditure pending the receipt of income and to provide a cushion against expenditure being higher or income lower than expected. Contributions to balances can be either a planned contribution from the revenue budget or a transfer of any revenue surplus at the year end. The maintenance of an appropriate level of balances is a fundamental part of prudent financial management.

BASELINE FUNDING LEVEL

The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).

BILLING AUTHORITIES

A unitary council, or a lower tier council in a two-tier area, which collects the council tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect council tax and business rates: district councils, London boroughs, and unitary councils. Before 1 April 2009 there were 354.

BORROWING STRATEGY

A borrowing strategy set up the parameters within which money may be borrowed by the Authority. These parameters are designed to manage the risk taken by the authority within best practice.

BUDGET

Statement of the spending plans for the year.

BUDGET PROFILE

An allocated annual budget is split over the months in which it is estimated that expenditure will be incurred. For example, utility bills may well be split into four and entered into the months in which quarterly payments are due.

BUSINESS RATES

These rates, formally called national non-domestic rates, are the means by which local businesses contribute to the cost of providing local council services.

BUSINESS RATE BASELINE

Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

BUSINESS RATE RETENTION SCHEME

The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

CAPITAL FINANCING REQUIREMENT (CFR)

Is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources i.e. a measure of the underlying borrowing need.

CAPITAL PROGRAMME

Is documentation which summarises the outcome of priority allocations contained in the capital strategy and details individual schemes for approval by Council / Cabinet.

CAPITAL PROGRAMME BOARD

The Capital Programme Board ensures:

- that the overall capital investment strategy is consistent with strategic objectives, is affordable within the revenue budget strategy, examining potential funding options.
- that bids are submitted in accordance with set framework and guidelines (including business cases, value for money and options appraisal) and prioritised in accordance of agreed criteria
- compiles and manages a multi-year capital programme for consideration by CMT and approval by Cabinet

CAPITAL PROJECTS / SCHEMES

Capital Projects / Schemes is the level at which Member approval is obtained.

CAPITAL RECEIPTS

Proceeds from the sale of fixed assets and repayments of capital grants and loans. These are divided into reserved and usable parts.

CAPITAL MONITORING

The monthly comparison of actual spend against the anticipated spend (profiled budget) and the revision of projected year end spend where necessary. Periodically budget managers will be required to review their in year budget requirement and re-profile their projected expenditure over subsequent financial years.

CAPITAL STRATEGY

A Capital Strategy is a core planning document designed to dovetail with the MTFs and Treasury Strategy to ensure that limited capital resources are deployed in accordance with corporate priorities / achieving our vision. The document will also detail how the proposed capital programme will be funded.

CASH FLOW MANAGEMENT

Cash flow is the movement of money into or out of a business. Cash flow management optimises activity and investment around these cash flows.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

The Institute produces standards and codes of practice that must be followed in preparing the Council's financial statements.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

CODE OF PRACTICE LOCAL AUTHORITY ACCOUNTING

These are designed to support consistent standards of financial accounting in local authorities. There are two accounting codes :-

The Code of Practice on Local Authority Accounting supports consistent financial reporting at the level of the formal statements of accounts.

The Service Reporting Code of Practice (SerCOP) supports consistent financial reporting between local authorities below the level of the formal statement of accounts. In particular the SerCOP is designed to support consistency and comparability in reporting the cost of individual services and activities. The IFRS based Code of Practice requires that the analysis of services in the Consolidated Revenue Account should follow that prescribed by the SerCOP.

COLLECTION FUND

This is a statutory 'ring fenced' account. It records income and expenditure on Council Tax, Non Domestic Rates, payments to the precepting authorities and transfer to the Council's General Fund.

COMMUNITY ORGANISATION

An organisation with benevolent or philanthropic purposes.

COMPACT

Compacts are partnership agreements between statutory bodies and the voluntary and community sector to improve their relationships and provide a framework within which the sectors can understand what to expect from each other. Compacts offer the means of supporting the development of the voluntary and community sector's capacity so that groups can do more to meet both their aims and those of their statutory partners, thereby enhancing their contribution to the local community. The national compact (between central government and the voluntary and community sector) was launched in 1998 and it is now a requirement for all local authorities and PCTs to develop a compact with the voluntary and community sector. They are not legally binding documents but the Compact is approved and signed policy and affects the conduct of all partners.

COMPREHENSIVE SPENDING REVIEW (CSR)

The CSR is a governmental process carried out by HM Treasury which sets out fixed three-year departmental expenditure limits and, through public sector service agreements, defines key service improvements.

CONTINGENCY

A contingency is the setting aside of a finite sum to offset the cost of a future event or circumstance which may or may not occur.

CORE SPENDING POWER

To provide some certainty for the period 2016-17 through to 2019-20, the local authority core spending power as from the following core components:

- The Modified Settlement Funding Assessment as set out in the provisional local government finance settlement consultation.
- The council tax requirement estimated by applying the average annual growth in the council tax base between 2013-14 and 2015-16 and assuming that local authorities increase their Band D council tax in line with the OBR's forecast for CPI for each year.
- The potential additional council tax available from the adult social care council tax flexibility.
- The potential additional council tax available from a £5 cash principle for districts with a lower quartile Band D council tax level.
- The Improved Better Care Fund.
- Rural Services Delivery Grant.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. It has two elements - corporate management and democratic representation and management. The activities within the corporate and democratic core are in addition to those which would be carried out by a series of independent, single purpose bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

CORPORATE GOVERNANCE

Corporate Governance is the system by which local authorities direct and control their functions and communicate to their communities.

COUNCIL TAX

A local tax on domestic property, set by councils – calculated by deducting any funding from reserves, income it expects to raise and general funding it will receive from the Government – in order to meet its planned spending. 31

COUNCIL TAX BASE

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each council tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

COUNCIL TAX BANDS

There are eight council tax bands. How much council tax each household pays depends on the value of the homes. The bands are set out below:

| Value of home estimated at 1 April 1991 | | Proportion of the tax due April 1991 for a band D property |
|--|---------------------|---|
| Band A | Under £40,000 | 66.7% |
| Band B | £40,001 - £52,000 | 77.8% |
| Band C | £52,001 - £68,000 | 88.9% |
| Band D | £68,001 - £88,000 | 100% |
| Band E | £88,001 - £120,000 | 122.2% |
| Band F | £120,001 - £160,000 | 144.4% |
| Band G | £160,001 - £320,000 | 166.7% |
| Band H | Over £320,001 | 200% |

COUNTRY LIMITS

The current economic climate has not only affected companies and financial institutions; it has affected sovereigns (lending to countries[government bonds]) as well. This will be incorporated into counterparty selection.

CREDIT APPROVAL

The permission to borrow given to each local authority annually by the Secretary of State. Local authorities can obtain supplementary credit approvals during the year for particular projects.

CREDITORS

The individual or organisation to whom the Authority owes money. Accordingly, it does not include money on taxation to the Council.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

COUNCIL'S BORROWING REQUIREMENT

Based on projected spend, this is the amount of money a local authority will need to borrow to finance this projected spend.

COUNTERPARTIES

The organisation in respect of which the Authority borrows from or invests money with.

COUNTERPARTIES'DOWNGRADES Combine with Counterparties

A counterparty will be removed, suspended or kept on close watch from the council's approved list if it fails to meet the Council's criteria.

CORPORATE BONDS

Is a bond that a company issues to raise money in order to expand its business.

COUPON

Is the interest rate stated on a bond at the time it is issued.

CREDITWORTHINESS

An assessment of the likelihood that a borrower will default on their debt obligations. It is based upon factors, such as their history of repayment and their credit score. Lending institutions also consider the availability of assets and extent of liabilities to determine the probability of default.

DEBTORS

A debtor is an organisation or individual that owes the Authority money.

DEBT RESCHEDULING

Where certain debt may be redeemed and a further loan obtained. This may be undertaken to provide an even spread of debt redemption date and terms, It may also be used to optimise beneficial borrowing rates in the market while maintaining activity within acceptable risk levels.

DEPRECIATION

Depreciation is a charge to the revenue account to reflect the reduction in the useful economic life of a fixed asset. The reduction in the value of a fixed asset in the balance sheets is in line with the expected useful life. But is not a charge to the General Fund as it is reversed in the Movement in Reserves Statement and replaced with the Minimum Revenue Provision.

EARMARKED CAPITAL RESOURCES / GRANTS

Money received by the Authority which has certain conditions / restrictions (loose terminology) over its use limiting the type of expenditure that it may be applied against. IFRS refers to Stipulations and sub divides them into Conditions and Restrictions. Earmarked grants (revenue or capital) are grants which are subject to restrictions..

ESTIMATED BUSINESS RATES AGGREGATE

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

FINANCE LEASE

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. Situations that would normally lead to a lease being classified as a finance lease include the following:

- the lease transfers ownership of the asset to the lessee by the end of the lease term
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the inception of the lease, it is reasonably certain that the option will be exercised
- the lease term is for the major part of the economic life of the asset, even if title is not transferred
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset
- the lease assets are of a specialised nature such that only the lessee can use them without major modifications being made

FINANCIAL INSTRUMENT

A real or virtual document representing a legal agreement involving some sort of monetary value. In today's financial marketplace, financial instruments can be classified generally as equity based, representing ownership of the asset, or debt based, representing a loan made by an investor to the owner of the asset.

FINANCIAL YEAR

The financial year runs from 1 April to the following 31 March.

FIXED ASSETS

Assets that yield benefits to the local authority and the services it provides for a period of more than one year. These assets can be tangible or intangible.

FLOOR DAMPING

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

FTSE 100

This is the index of the top 100 UK listed companies by market capitalisation.

GENERAL FUND

The main fund of the Council, from which all expenditure is met and all income is paid, with the exception of those items, which by statute have to be taken to some other account.

GOVERNMENT GRANTS

Financial assistance by government and other bodies, in the form of cash transfers to an authority, issued in return for compliance with certain conditions relating to the activities of the authority.

GROSS EXPENDITURE

The total expenditure of a fund or account.

GROUP LIMITS

This is a limit on the amount of money that may be invested with or borrowed from a particular conglomerate.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

IMPAIRMENT

This is where there is an adverse mismatch between the value of an asset to that stated on the balance sheet. When this occurs the asset must be written down to the required value. This cost is charged to revenue (written through the income and expenditure account)

INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)

International Financial Reporting Standards are a single set of accounting standards, developed and maintained by the IASB (International Accounting Standards Board).for the purposes of being applied on a globally--consistent basis by developed and emerging and developing economies.. The Code of Practice on Local Authority is based on IFRSs.

INVESTMENT POLICY

The London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The council's investment priorities will be security first, liquidity second, then return.

INVESTMENT STRATEGY

The investment of the Authority's cash balances to optimise its strategic and operational needs.

INVESTMENT TREASURY INDICATOR AND LIMIT

This is a prudential indicator for funds invested for more than 364 days, designed to measure the need for early investment redemption against the Authority's liquidity requirement.

LENDERS OPTION BORROWERS OPTION (LOBO)

When borrowing or lending money, certain time related limits may be established when the arrangement is made e.g. at a certain point in time the interest rate of a loan will increase; at this point both parties have the opportunity to opt in / out of the arrangement.

LEVY

Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.

LIABILITIES

An entity's obligations to transfer economic benefits as a result of past transactions or events.

LOCAL GOVERNMENT FINANCE SETTLEMENT

The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament.

LOCAL GOVERNMENT SPENDING CONTROL TOTAL

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

LOCAL SHARE

The percentage share of locally collected business rates that is retained by local government. This is set at 50%.

LOCALISM ACT 2011

It sets out a series of proposals with the potential to achieve a substantial and lasting shift in power away from central government and towards local people. They include: new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reform to make the planning system more democratic and more effective

LOWER TIER COUNCILS

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

MERTON IMPROVEMENT BOARD

Merton Improvement Board oversees the management and monitoring of the Merton improvement programme and the promotion of best practices within the Council. Its work falls into four main areas:

- manage and monitor the Merton improvement programme including giving the “go ahead” for new projects and project closure;
- steer the implementation and future development of the Merton improvement programme;
- lead on developing and maintaining cross-cutting initiatives; and
- manage, co-ordinate and monitor business improvement activity across the council.

MINIMUM REVENUE PROVISION

The council is required to pay off an element of the accumulated General Fund capital spend each financial year through a revenue charge, as required by the Local Government and Housing Act 1989.

MULTIPLIER

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is uprated annually by the Retail Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

NATIONAL CONTROL TOTALS

These are the national totals for each of the individual elements within the local spending control total. They are determined as part of the Spending Review. It is also the name given to the size of each of the different elements within the Settlement Funding Assessment.

NON-DOMESTIC RATE (NDR)

A levy on businesses based on national ‘rateable value’ of the premises occupied. NDR is collected by the Council in line with national criteria, paid into a national pool and then redistributed to all local and police authorities on the basis of population.

NON-SPECIFIED INVESTMENTS

A body which has been provided with a government issued guarantee for wholesale deposits within specific timeframes.

OPERATIONAL BOUNDARY

The operational boundary is a prudential indicator for monitoring the total external debt, gross of investments, and separately identifying borrowing from other long term liabilities.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

OPERATING LEASE

A contract that allows for the use of an asset, but does not convey rights of ownership of the asset. An operating lease is not capitalized; it is accounted for as a rental expense in what is known as "off balance sheet financing." For the lessor, the asset being leased is accounted for as an asset and is depreciated as such

PENSION FUND

The Local Government Pension Scheme (LGPS) is a scheme established by statute to provide death and retirement benefits for all eligible employees. The scheme's benefits are defined in the LGPS Regulations, and are geared to a scheme member's final salary and length of service (this current scheme is currently under review).

The scheme is financed by a combination of employee and employer contributions, together with income from a fund of investments. The employee contribution rate is set at 6% of pensionable pay, whilst the employer's rate varies according to an assessment of the funds current and forecast pension/benefit costs, (the fund's liabilities), relative to its income. This assessment is undertaken, in accordance with LGPS Regulations, every three years by the Fund's appointed actuary, who sets the necessary level of employer contribution into the fund so that the fund's liabilities can be paid.

PERFORMANCE MANAGEMENT FRAMEWORK

Performance management is about how an organisation consistently plans and manages to ensure continuous improvement. Sustainable improvements in services are unlikely to happen without it. A performance framework is designed to help individuals, teams, divisions etc. understand :

- what the organisation is trying to achieve (golden thread),
- the planning, monitoring and review cycle
- their responsibilities.

PRECEPT

This is the amount of council tax income all billing and precepting authorities need to provide their services. The amounts for all authorities providing services in an area appear on one council tax bill, which is administered by the billing authority.

PRECEPTING AUTHORITY

An authority or body that does not collect council tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

PRIVATE FINANCE INITIATIVE (PFI)

PFI contracts are agreements with private sector organisations to refurbish, maintain and operate fixed assets on behalf of public sector organisations such as local authorities.

PROCUREMENT BOARD

The Procurement Board provides a corporate focus for procurement issues and oversees the procurement development in Merton. The Board also provides both strategic direction for, and effective governance of, the procurement arrangements across the Authority, ensuring they are effective, efficient and utilised.

PROPORTIONATE SHARE

This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority's business rates baseline.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

PROVISIONS

Amounts set aside for any liabilities or losses which are likely to be incurred, but which are uncertain as to the amounts or the dates on which they will arise.

PRUDENTIAL CODE OF BORROWING

The Local Government Finance Act (NI) 2011 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities. In doing so, the Council is required to set and monitor a series of Prudential Indicators, the key objectives of which are to ensure that, within a clear framework, the capital investment plans of the council are affordable, prudent and sustainable.

RECEIVING AUTHORITIES

These are the 421 authorities that are eligible to receive Revenue Support Grant (billing authorities plus county councils and fire and rescue authorities).

RESCHEDULING OF DEBT

The switching of debt between the short term and the longer term and vice versa to obtain favourable borrowing rates.

REVENUE RESERVES

These are amounts set aside for specific purposes. The Council has discretion in whether it wishes to set aside these amounts as distinct from sums set aside in provisions.

REVENUE EXPENDITURE

Expenditure incurred on day to day running costs and confined to accounts within one financial year.

REVENUE MONITORING

The monthly comparison of actual expenditure and income spend against the anticipated spend (profiled budget). A budget manager will then allow for known income/expenditure to project the year end position

RESERVES

This is a council's accumulated surplus income (in excess of expenditure) which can be used to finance future spending.

REVENUE SUPPORT GRANT

A Government grant which can be used to finance revenue expenditure on any service.

RINGFENCED GRANT

A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.

RISK MANAGEMENT

A risk is a threat, obstacle or, barrier, that will stop the Authority from achieving its ambitions, aims and objectives. Risk management is the process of managing the risks that may prevent delivery of desired outcomes so that the organisation can anticipate and respond positively to change. Merton's approach to risk management is to raise awareness, integrate it into day to day operations and establish a robust framework and procedures to identify, analyse, assess and manage risk.

SECTION 151 OFFICER

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget.

SECURITISATION

'Securitisation' as used in this context means the disposal of future revenues. For example, someone receiving rents from properties might transfer the entitlement to that income to a bank for (e.g.) 20 years, in exchange for an immediate lump-sum payment.

SAFETY NET

Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being uprated by the small business rates multiplier for the purposes of assessing eligibility for support).

SETS OF SERVICES

There are four sets of services, corresponding to the services supplied by the four types of local authorities (although some councils may provide more than one tier of service). These are:

- upper-tier services – those services, other than fire, supplied by county councils in two-tier areas, and described in this consultation as relating to 'social care councils'
- police services
- fire and rescue services lower-tier services – those services supplied by district councils ('non-social care councils' in the consultation) in two-tier areas.

SETTLEMENT CORE FUNDING

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- council tax income from 2015-16 (including any Council Tax Freeze Grant)
- the Settlement Funding Assessment, comprising:
 - estimated business rates income (baseline funding level under the rates retention scheme)
 - Revenue Support Grant.

SETTLEMENT FUNDING ASSESSMENT

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided

SPECIFIC GRANT

Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ringfenced.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

SPECIFIED BODY

This is the term used for a body or bodies which are directly funded from Revenue Support Grant, and which provide services centrally for local government as a whole.

SPECIFIED INVESTMENTS

These are to be sterling investments of a maturity period of not more than 364 days, or those which could be for a longer period but where the Council has the right to be repaid within 364 days if it wishes. These are low risk assets where the possibility of loss of principal or investment income is considered negligible.

SUPER OUTPUT AREA

A Super Output Area (SOA) is a geographical area designed for the collection and publication of small area statistics. It is used on the Neighbourhood Statistics site, and has a wider application throughout national statistics. SOAs give an improved basis for comparison throughout the country because the units are more similar in size of population than, for example, electoral wards

SUPPORT SERVICES

These are services that are not statutory local authority services but which give support to those services.

SUPPORTED CAPITAL EXPENDITURE

This is the term for central government support for local authority capital expenditure with effect from 1 April 2004. Under the new system, central government provides allocations to replace the previous system of credit approvals. The allocations enable services to borrow to finance capital schemes. The services also receive revenue funding through the revenue support grant to pay for the borrowing.

TARIFFS AND TOP UPS

Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

TAX INCREMENTAL FINANCING

The Local Government Finance Bill was passed in December 2011 and introduces a rate retention scheme enabling local authorities to retain a proportion of the business rates generated in their area. The Bill also includes a framework for the localisation of support for council tax in England, which alongside other council tax measures will give councils increased financial autonomy and a greater stake in the economic future of their local area, while providing continuation of council tax support for the most vulnerable in society. In determining the affordability of borrowing for capital purposes, authorities currently take account of their current income streams and forecast future income.

TREASURY MANAGEMENT

The management of the local authority's 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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

TREASURY MANAGEMENT PRACTICES / TREASURY MANAGEMENT CODE OF PRACTICE

The Local Government Finance Act (NI) 2011 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities. In doing so, the Council is required to set and monitor a series of Prudential Indicators, the key objectives of which are to ensure that, within a clear framework, the capital investment plans of the council are affordable, prudent and sustainable.

USEFUL LIFE

This is the period over which the local authority derives benefit from the use of a fixed asset.

BUSINESS PLAN – LIST OF ACRONYMS

| <u>Acronym</u> | <u>Definition</u> |
|-----------------------|---|
| AD | Assistant Director |
| ADASS | Association of Directors of Adult Social Services |
| Apps | Applications |
| ASB | Anti Social Behaviour |
| ASC | Adult Social Care |
| ASH | Our miscellaneous income, invoicing and recovery system |
| BC | Building Control |
| BESD | Behavioural Emotional and Social Difficulties |
| BME | Black Minority Ethnic |
| C & YP | Children and Young People |
| CAF | Common Assessment framework |
| CAMHS | Child and Adolescent Mental Health Services |
| CC | Children's Centre |
| CCTV | Close Circuit Television |
| CEN | Creative Environmental Networks |
| CEO | Civil Enforcement Officer |
| CFR | Capital Financing Requirement |
| CIPFA | Chartered Institute Public Finance and Accountancy |
| CMT | Corporate Management Team |
| CNEA | Clean Neighbourhood and Environment Act |
| COM | Current Operating Model |
| CPD | Centre for Professional Development |
| CPD | Continuing Professional Development |
| CPZ | Controlled Parking Zone |
| CRB | Criminal Records Bureau |
| CRM | Customer Relationship Management |
| CSC | Children's Social Care |
| CSF | Children Schools & Families |
| CYP | Children and Young People |
| CYPP | Children and Young peoples Plan |
| DC | Development Control |
| DEFRA | Department for Environment Food and Rural Affairs |
| DFG | Disabled Facilities grant |
| DMT | Departmental Management Team |
| DSG | Dedicated Schools Grant |
| E&R | Environment and Regeneration |
| EA | Equality Analysis |
| EAL | English as an Additional Language |
| EH | Environmental Health |
| EIA | Equalities Impact Assessment |
| EIG | Early Intervention Grant |
| ERTG | Enforcement Review Task Group |
| ESOL | English for Speakers of Other Languages |
| EU | European Union |
| EY | Early Years |
| FACS | Fair Access to Care Services |
| FM | Facilities Management |
| FOI | Freedom Of Information |
| FPN | Fixed Penalty Notice |
| FTE | Full Time Equivalent |
| GLA | Greater London Authority |
| HB | Housing Benefits |
| HC&OP | Healthier Communities and Older People |

BUSINESS PLAN – LIST OF ACRONYMS Continued.....

| <u>Acronym</u> | <u>Definition</u> |
|-----------------------|--|
| HCA | Homes and Community Agency |
| HNES | Housing Needs and Enabling Services |
| HRRC | Household Reuse and Recycling Centre |
| ICT | Information and Communications Technology |
| IFRS | International Financial Reporting Standard |
| IP | Intellectual Property |
| IT | Information Technology |
| iTrent | Our new payroll system |
| JD | Job Description |
| K | £ Thousand |
| L & D | Learning and Development |
| LA | Local Authority |
| LAC | Looked After Children |
| LALO | Local Authority Liaison Officer |
| LATS | Landfill Allowances and Trading Scheme |
| LB | London Borough |
| LBM | London Borough of Merton |
| LCGS | London Councils Grant Scheme |
| LDD | Learning Development and Diversity |
| LGA | Local Government Association |
| LLC | Local Land Charges |
| LSC | Learning Skills Council |
| LSCB | Local Safeguarding Children's Board |
| LSP | Local Strategic Partnership |
| LOBO | Lenders Option Borrowers Option |
| MAE | Merton Adult Education |
| MARAC/DV | Multi Agency Risk Assessment Case Conference / Domestic Violence |
| MCIL | Merton Centre for Independent Living |
| MIS | Management Information System |
| MP | Member of Parliament |
| MRP | Minimum Revenue Provision |
| MSLT1&2 | Merton's Senior Leadership Team Levels 1 and 2 |
| MTFS | Medium Term Financial Strategy |
| MVSC | Merton Voluntary Service Council |
| NEET | Not in Education Employment or Training |
| NNDR | National Non Domestic Rate |
| O&S | Overview and Scrutiny |
| OJEU | Official Journal of the European Union |
| OT | Occupational Therapy |
| PATAS | Parking And Traffic Appeals Service |
| PC | Police Constable |
| PCN | Penalty Charge Notice |
| PCT | Primary Care Trust |
| PFI | Private Finance Initiative |
| PM&R | Pavement Maintenance and Repair |
| PPD | Public Protection and Development |

BUSINESS PLAN – LIST OF ACRONYMS Continued.....

| <u>Acronym</u> | <u>Definition</u> |
|-----------------------|--|
| PPP | Policy Planning and Performance |
| PRS | Private Rented Sector |
| PVI | Private Voluntary and Independent |
| QA | Quality Assurance |
| SC | Sustainable Communities |
| SEN | Special Educational Needs |
| SEND | Special Educational Needs and Disabilities |
| SFA | Skills Funding Agency |
| SLA | Service Level Agreement |
| SLWP | South West London Partnership |
| SME | Subject Matter Expert |
| SMT SOAs | Senior Management team Super Output Areas |
| SSQ | School Standards and Quality |
| SW | South West |
| SWLSG | South West London and St George's Mental Health NHS Trust |
| TBC | To Be Confirmed |
| TEC | Transport and Environment Committee |
| TFL | Transport For London |
| TOM | Target Operating Model |
| TUPE | The Transfer of Undertaking (Protection of Employment) Regulations |
| VAT | Value Added Tax |
| VLE | Virtual Learning Environment |
| VS | Voluntary Sector |
| YOT | Youth Offending Team |

SECTION 2: GENERAL FUND REVENUE BUDGET AND COUNCIL TAX STRATEGY

1. Background to Financial Planning

- 1.1 The approach to Medium Term Financial Planning provides a great deal of flexibility in decision making and enables the impact of alternative options to be modeled. This has assisted with progress towards a balanced budget over the four year plan.
- 1.2 The MTFS has been re-priced and rolled forward a year so that each year from 2016/17 to 2019/20 starts from the approved budget 2015/16 and is built up showing the cumulative effect of variations over the period. The initial re-priced MTFS showing the budget gap as reported to Council in March 2015 was as follows:-

Table 1: Initial Re-priced MTFS

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|--|------------------|------------------|------------------|------------------|
| Departmental Base Budget '15/16 | 150,913 | 150,913 | 150,913 | 150,913 |
| Departmental Budget Changes | (14,592) | (15,063) | (12,557) | (7,481) |
| Re-Priced Departmental Budget | 136,321 | 135,850 | 138,356 | 143,432 |
| Treasury/Capital financing | 14,029 | 15,828 | 17,091 | 18,220 |
| Other Corporate items | (8,894) | (8,539) | (7,860) | (9,048) |
| Levies | 632 | 632 | 632 | 632 |
| Sub-total: Corporate provisions | 5,767 | 7,921 | 9,863 | 9,804 |
| Use of Reserves | 643 | (6,727) | (474) | 0 |
| BUDGET REQUIREMENT | 142,731 | 137,044 | 147,745 | 153,236 |
| | | | | |
| TOTAL FUNDING | (142,731) | (137,044) | (133,378) | (131,519) |
| | | | | |
| GAP (Cumulative) | 0 | 0 | 14,367 | 21,717 |

- 1.3 Since then, reports to Cabinet on 14 September 2015, 19 October 2015, 7 December 2015, and 18 January 2016 have presented updated information to Members, setting out the financial implications as assumptions have been reviewed and decisions made.
- 1.4 The decisions made in respect of each element of the MTFS impact on the overall financial position of the Authority and need to be taken into account as part of an overall package of decisions to balance the budget over 2016-20. In addition to the normal review of the base position, an appraisal of options and variables has been undertaken this year which has enabled the impact of different scenarios to be modeled.

1.5 Setting a Balanced Budget

1.5.1 Resource and expenditure projections have been continually updated throughout the year to inform Members and officers of the overall position for 2016-2020. A four-year forward plan is presented, but it is still a legal requirement that a balanced (i.e. fully funded) budget is achieved for 2016/17. There are a number of ways in which a balanced budget is achieved:

- Reducing expenditure/costs;
- Identifying new savings or additional income;
- Adjusting the level of Council Tax ;
- Using unallocated reserves as a temporary measure pending the implementation of the options above.

1.5.2 Budget savings and growth proposals have been formulated within the overall constraints of the resource projections. The proposals have been approved in principle by the Cabinet and then considered by Overview and Scrutiny Panels as part of the scrutiny process. Scrutiny Panels have met again during January 2016 and their feedback on the Council's spending proposals is set out in a separate report elsewhere on the agenda for this meeting.

1.5.3 The Medium Term Financial Strategy (MTFS) for the Council supports the achievement of the business plan and any financial implications arising from the agreed plan are included in financial planning for 2016/17 and beyond. The MTFS brings together all of the key elements relating to the Council's financial position which are reflected in the General Fund, and the Capital Programme.

1.5.4 The last detailed MTFS which was reported to Cabinet on 18 January 2016 showed that the budget gap was:-

Table 2: Budget Gap Cabinet 18 January 2016

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

1.5.5 There have been further changes to some of the key budget variables as more information has become available and the details are set out in this report.

1.6 Review of previous year's Savings

1.6.1 As with previous years, the business planning process is a multi-year approach and this includes a review of total expenditure and income over the period 2016-20.

- 1.6.2 Cabinet on 19 October 2015 and 7 December 2015 considered revisions to current savings proposals . The overall impact of these proposed amendments on the MTFS is as follows:-

Table 3: Net Revisions to current savings

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

- 1.6.3 The current MTFS includes the following amounts in respect of the full year effects of previous year's savings.

Table 4: Full Year Effects of previous years savings

| Full Year Effects of previous years savings | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | Total £000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Corporate Services | 2,840 | 1,656 | 165 | 0 | 4,661 |
| Children, Schools & Families | 2,191 | 621 | 0 | 0 | 2,812 |
| Environment and Regeneration | 5,514 | 935 | (212) | 0 | 6,237 |
| Community and Housing | 5,357 | 2,220 | 1,195 | 0 | 8,772 |
| Total | 15,902 | 5,432 | 1,148 | 0 | 22,482 |
| Total - Cumulative | 15,902 | 21,334 | 22,482 | 22,482 | |

- 1.6.4 One of the key objectives is to balance the budget and there has been a major improvement in recent years in the ability to look over a long-term period and identify significant savings over more than one year.
- 1.6.5 The Business planning framework aims to enable strategic resource allocation and investment decisions to be made that allow for services to transform and change at different times in the future and which would otherwise be very difficult to plan under an annual planning framework.

1.7 Growth

- 1.7.1 There is no additional growth included in the MTFS at the current time.

1.8. Better Care Fund (BCF) and Implementation of Care Act Funding

- 1.8.1 The BCF creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their well-being as the focus of health and care services. This funding is ring-fenced to Adult Social Care.
- 1.8.2 It has been assumed that the amount available to Adult Social Care will be the same for 2016/17.
- 1.8.3 The latest information on Adults' Personal Social Services funding allocations to local authorities for 2016/17 is summarised in Appendix 2. Further details of specific funding allocations for Merton are still to be announced.

2. Local Government Finance Settlement 2016-17

2.1 Local Government Finance Settlement

- 2.1.1 The financial projections in the report to Cabinet on 18 January 2016 were based on the information as announced in the provisional Local Government Finance Settlement on 17 December 2015. Information in this report has been updated as more information has become available.
- 2.1.2 The final Settlement allocations were confirmed by the Minister for Local Government on 8 February 2016 and by the House of Commons on 10 February 2016. The details were very similar to the provisional Settlement with some extra funding. Merton will receive RSG transition grant of £0.567m in 2016/17 and £0.557m in 2017/18.
- 2.1.3 Details of the Final Local Government Settlement are included in Appendix 2.
- 2.1.4 The Local Government Finance Settlement provides an indicative figure for the amount of business rates (NNDR) Merton could expect to have available in 2016/17. This is based on a baseline amount notified in 2013/14 when the Business Rates Retention Scheme was first introduced, uprated for inflation. However, the actual amount available to use is based on the latest NNDR information available to the Council as identified in its NNDR1 return which was completed and provided to the DCLG by the deadline of 31 January 2016. Details of the methodology and calculation are included in Appendix 3. The Business Rates implications are summarised in the following table:-

Table 5: Implications of NNDR1 2016/17 for Merton in 2016/17

| | MTFS (January 2016) £000 | NNDR1 £000 | Difference £000 |
|---|-----------------------------------|---------------|--------------------|
| NNDR 2016/17 | 26,422 | 26,324 | (98) |
| - Top-Up 2016/17 | 8,010 | 7,906 | (104) |
| | 34,432 | 34,230 | (202) |
| Collection Fund Surplus/(Deficit) 2015/16 | (1,469) | (1,721) | (252) |
| | 32,963 | 32,509 | (454) |
| Section 31 Grant | 0 | 822 | 822 |
| Total | 32,963 | 33,331 | 368 |

- 2.2 Details of the Council Tax Base calculation, the resource implications arising from current business rates projections and impact on the Collection Fund are included elsewhere in this report and in Appendix 3.

3. **Review of Corporate and Technical Provisions**

- 3.1 Previous reports to Cabinet have set out the details and assumptions on which the budget has been formulated. The latest information is set out in the following paragraphs.

3.2 Review of Technical and Corporate Provisions

- 3.2.1 Technical and corporate adjustments incorporated in the MTFS have been reported to Cabinet throughout the business planning process for 2016/17.
- 3.2.2 The key assumptions included in the MTFS have been continually reviewed and updated as the budget process has developed. It should be noted that any one-off adjustments will need to be addressed in future years. The latest information is set out in the following paragraphs:-

3.3 Inflation

- 3.3.1 Predicting the level of inflation over a four year period with accuracy is not easy, particularly in the current economic climate and given the size of the Council's budget can lead to large variances if the actual inflation levels vary from the assumptions.

3.3.2 Pay

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

Table 6: Provision for Pay Inflation:

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

Following negotiations with the unions, the Local Government Employers made their final offer on 9 December 2015 concerning a pay deal that would cover the two years from April 2016. For the lowest paid (those on spinal points 6-17) this would mean a pay rise of between 6.6% and 1.01% in the first year, and between 3.4% and 1.3% in the second. Those on spinal points 18-49 would receive 1% in year one and the same again the following year. The increases at the bottom end of the pay scale are designed to meet the employers' legal obligations to comply with the Chancellor's 'national living wage' (that will be £7.20 an hour next April and £9 an hour by the end of the Parliament). The employers also refused the unions' demand that other workforce terms and conditions such as annual leave and sick pay be protected. However they did agree to a joint review of term-time working for school support staff if their pay offer were to be accepted. The employers say that the pay offer would increase the total local government pay bill by 2.4% (£364.2m).over the two years. Following consultation with their members, the three NJC unions (i.e. Unison, Unite and GMB) will meet in February 2016 to consider the outcome of their respective consultation processes and to decide next steps.

3.3.3 Prices

The Consumer Prices Index (CPI) rose by 0.2% in the year to December 2015, compared with a 0.1% rise in the year to November 2015. Although this is the first month since January 2015 for which the rate has exceeded 0.1%, this continues the trend since early 2015 of the rate being very close to zero. Movements in transport costs, particularly air fares and to a lesser extent motor fuels, were the main contributors to the rise in the rate. Downward pressures from prices for alcohol and tobacco along with food and non-alcoholic beverages partially offset the rise. CPIH grew by 0.5% in the year to December 2015, up from 0.4% in November 2015. RPI annual inflation stood at 1.2% in December 2015, up from 1.1% in November 2015.

Outlook for inflation:

On 14 January 2016, the Bank of England's Monetary Policy Committee (MPC) voted by a majority of 8-1 to maintain the Bank Base Rate at

0.5%. The Committee voted unanimously to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

In the minutes of the MPC published on 14 January 2016, it was noted that “twelve-month CPI inflation rose to 0.1% in November and is likely to rise modestly further in the coming months as some of the large falls in energy and food prices a year earlier drop out of the annual comparison. But the 40% decline in dollar oil prices means that the increase in inflation is now expected to be slightly more gradual in the near term than forecast in the Committee’s November Inflation Report projections. Although a large part of the current deviation of CPI inflation from the 2% target reflects unusually large drags from energy and food prices, core inflation also remains relatively subdued – a consequence of the past appreciation of sterling, weak global inflation and restrained domestic cost growth.”

The quarterly inflation report for November 2015 set out the MPC’s most recent detailed assessment of the economic outlook . In the minutes on 14 January 2016 the MPC commented that “at that time, the Committee’s central view was that, if Bank Rate were to follow the gently rising path implied by the prevailing market yields, CPI inflation would slightly exceed the 2% target in two years’ time and then rise further above it, reflecting modest excess demand. The MPC judged that the risks to this projection lay a little to the downside in the first two years, reflecting global factors. Since then, the data regarding international activity have evolved broadly as expected ... Domestically, the most recent data suggest that, after faster growth over the previous two years, output growth was steady during 2015 at rates a little below pre-crisis norms. Although indicators of private domestic spending appear healthy, business surveys imply that the near-term outlook for aggregate activity is slightly weaker than in the MPC’s November central projection... Despite continued reductions in the rate of unemployment, pay growth remains restrained and appears to have dipped slightly in the most recent data. Overall, while domestic cost growth over the past year has been below that necessary for inflation to return sustainably to the 2% target, its pace can be expected to increase over time.”

The MPC believe that “given the likely persistence of the headwinds weighing on the economy, when Bank Rate does begin to rise, it is expected to do so only gradually and to a level lower than in recent cycles. This guidance is an expectation, not a promise. The actual path that Bank Rate will follow over the next few years will depend on the economic circumstances.”

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 7: Forecasts for the UK Economy

| Source: HM Treasury - Forecasts for the UK Economy (January 2016) | | | |
|---|----------|-----------|-----------|
| | | | |
| 2015 (Quarter 4) | Lowest % | Highest % | Average % |
| CPI | 0.0 | 0.5 | 0.1 |
| RPI | 0.8 | 1.3 | 1.0 |
| LFS Unemployment Rate | 5.0 | 5.5 | 5.2 |
| 2016 (Quarter 4) | Lowest % | Highest % | Average % |
| CPI | 0.7 | 2.3 | 1.3 |
| RPI | 1.8 | 3.9 | 2.4 |
| LFS Unemployment Rate | 4.7 | 5.9 | 5.1 |

The current assumptions regarding price inflation incorporated into the MTFS are

Table 8: Price inflation assumptions in MTFS

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

Given the downward trend for inflation and analysts recent forecasts for the coming months, it is anticipated that the current provision in the MTFS is adequate. Clearly, this will be treated as a cash limit and if 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.

3.3.4 Inflation > 1.5% on volatile budgets

There is also a corporate provision which is held to assist services that may experience price increases greatly in excess of the 0.5% and 1.5% inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand but there are likely to be some requests to meet the National Living Wage on some contracts. There is no further change proposed.

Table 9: Inflation exceeding 1.5%

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

The cash limiting strategy is not without risks but if current levels of inflation were applied un-damped across the period then the budget gap would not change significantly by 2019/20.

3.3.5 Income

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

3.4 Collection Fund

3.4.1 The Collection Fund is a statutory fund separate from the General Fund. It accounts for income from Council Tax and from NNDR (Business Rates).

3.4.2 The Collection Fund accounts are kept on an accrual basis and a surplus or deficit for the year in the collection fund is estimated accordingly. The audited accounts for 2014/15 include the following surplus/deficit for Council Tax and NNDR as at 31 March 2015:-

Table 10: Collection Fund Surplus/Deficit as at 31 March 2015

| | Surplus/ (deficit) as at 31/03/15 Outturn | Surplus/ (deficit) as at 31/03/15 Outturn | Total surplus/ (deficit) as at 31/03/15 |
|--------------------|--|--|--|
| | Council Tax | NNDR | |
| | £000 | £000 | £000 |
| Central Government | N/A | (3,102) | (3,102) |
| GLA | 1,274 | (1,241) | 33 |
| Merton | 4,716 | (1,862) | 2,854 |
| Total | 5,990 | (6,205) | (215) |

3.4.3 A review of the Collection Fund, related bad debt provisions, write offs and anticipated collection rates in 2016/17 has been undertaken. With respect to Business Rates, the NNDR1 return has been submitted (31 January 2016 deadline) which analyses the estimated Business Rates for 2016/17, estimated deficit as at 31st March 2016 and estimated Section 31 Grant for 2016/17, and the allocations between Merton, Central Government, and the GLA

3.4.4 As a result of the further analysis, the estimated surplus/deficit on the Collection Fund as at 31st March 2016 is as follows:-

Table 11: Collection Fund Surplus/Deficit as at 31 March 2016

| | Surplus/ (deficit) as at 31/03/16 Estimate | Surplus/ (deficit) as at 31/03/16 Estimate | Total surplus/ (deficit) as at 31/03/16 |
|--------------------|---|---|--|
| | Council Tax | NNDR | |
| | £000 | £000 | £000 |
| Central Government | N/A | (2,868) | (2,868) |
| GLA | 853 | (1,721) | (868) |
| Merton | 3,200 | (1,147) | 1,479 |
| Total | 4,053 | (5,736) | (1,683) |

A more detailed summary of the calculations relating to the Collection Fund is included in Appendix 3 together with a copy of Merton's NNDR1 form for 2016/17.

3.5 Taxicards and Freedom Passes

- 3.5.1 These schemes are administered by London Councils on behalf of London boroughs. Initial information from London councils indicates that there is more than sufficient provision in the latest draft MTFS to fund the cost of these schemes in 2016/17. The latest available details are set out in the following table:-

Table 12: Freedom Passes and Taxicards 2016/17

| | |
|---|----------------|
| <u>Budget 2015/16</u> | £000 |
| Freedom Passes | 9,009 |
| Taxicards | 170 |
| Total Budget 2015/16 | 9,179 |
| Increase allowed for in MTFS in 2016/17 | 450 |
| Total Provision 2016/17 in latest draft MTFS | 9,629 |
| <u>Latest Details from London Councils</u> | |
| Charge to Merton for Freedom Passes | (9,298) |
| Charge to Merton for Taxicards | (93) |
| Latest Estimated Cost for 2016/17 | (9,391) |
| Estimated Surplus Provision in MTFS | (238) |

3.6 Contingency

- 3.6.1 The latest MTFS includes provision of £1.5m as a contingency to meet unforeseen cost and demand pressures, particularly those arising as the economy recovers from the recession.
- 3.6.2 As for the current financial year, there is a need for temporary resources, potentially up to £0.460m for Children, Schools and Families to be able to respond to the Children and Families Act, extended statutory duties associated with 0-25 agenda and transition. This need will be kept under quarterly review.

3.7 Bad Debt Provision

- 3.7.1 The bad debt provision is calculated on the basis of an examination of debts within the council's financial systems to assess the probability of their collection. Due to effective and proactive debt management it is not considered that an increase in contribution will be necessary for 2016/17, even under the current economic circumstances. The level of provision will be kept under review within the MTFS.

3.8 Revenuisation

In recent budgets it has been recognised that some expenditure formerly included in the capital programme could no longer be justified as it did not meet the definition of expenditure for capital purposes. Nevertheless, it is important that some of this expenditure takes place and the following amounts have been included in the latest MTFS for 2015-19:-

Table 13: Revenuisation

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|---------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Revenuisation | 3,410 | 2,385 | 2,380 | 2,380 |

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

3.9 Pensions

- 3.9.1 The pension scheme is due for revaluation based on data at 31st March 2016. This will be implemented at 1st April 2017. Given the current volatility of markets it is not feasible to predict what the variation from the figures currently in the MTFS will be so these have been left unchanged.
- 3.9.2 Those staff employed since 1st April 2013 who have opted out will need to be re-enrolled 1st April 2016. This will be contained within existing budgets and should be relatively small. On the 1st October 2017 all staff who were not in the pension scheme at 1st April 2013 and not currently in the pension fund will need to be auto enrolled with the option of then opting out. The salary of staff not in the fund total £5.7m. This has a potential full year cost of £787k and a part year cost in 2017/18 of £394k.

Assuming an 80% retention rate this would cost £315,000 in 2017/18 and £630,000 in a full year. These figures have been built into the MTFS.

3.10 Summary of Corporate and Technical Adjustments

- 3.10.1 The financial implications of the corporate and technical adjustments discussed in this report are summarised in Appendix 4.

4. **Departmental Savings Proposals 2016-20 and Service Planning**

- 4.1 In allocating savings targets for each Department, Cabinet has aimed to protect front-line services and services to the vulnerable in line with the 'July principles'. Weightings for each department; Corporate Services, Environment and Regeneration, Community and Housing, and Children, Schools and Families in the ratio 1.5 : 1.5 : 1.0 : 0.75 have been applied which reduces the impact on Adult Social Care, Children's Social Care and vulnerable groups. Cabinet on 14 September agreed departmental targets to be met from savings and income proposals as follows:-

Table 14: Savings targets agreed by Cabinet

| SERVICE DEPARTMENT'S SAVINGS TARGETS FOR 2016-2020 BUSINESS PLANNING PROCESS | Total £000 |
|---|-----------------------|
| Corporate Services | 2,338 |
| Children, Schools & Families | 2,580 |
| Environment & Regeneration | 6,568 |
| Community & Housing | 3,815 |
| Total Savings/Income Proposals | 15,301 |

- 4.2 Service departments reviewed their budgets and formulated proposals to address their targets. These were considered by Cabinet on 19 October 2015 and 7 December 2015 and referred to Overview and Scrutiny Panels and the Commission for scrutiny in November 2015 (October proposals) and January 2016 (all proposals).
- 4.3 The proposals submitted by each department are summarised in the following table and set out in detail in Appendix 9.

Table 15: Savings Proposals to Cabinet on 7 December 2015

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

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

4.5 Feedback from the Scrutiny Process:-

4.5.1 Comments from the Overview and Scrutiny Commission on 28 January 2016 were provided in a separate report to Cabinet on 15 February 2016.

4.5.2 Cabinet reviewed the feedback from the Scrutiny process and made resolutions which are set out in paragraph 1.4 of the covering report on the Business Plan 2016-20.

4.6 Financial Implications of Changes arising from response to Scrutiny

4.6.1 The draft MTFS shown in Appendix 7 includes the impact of any changes recommended by Cabinet in February 2016 as set out in the resolutions which are repeated in paragraph 1.4 of the covering report for this agenda item. This will include, in response to concerns raised at Scrutiny, a review of the current level of service being provided by Crossroads if they were to continue into 2016/17, with any shortfall being met from non-recurring savings and work with them to enable them to re-focus their service from 2017 in line with the needs of carers and in particular in order to offer a competitive and quality service to carers with personal budgets who want to choose the respite package that suits their needs best.

5. **Budgetary Control 2015/16**

5.1 The revenue budgetary control information below summarises the corporate position using the latest available information as at 31st December 2015 as shown in a separate report on the agenda for this meeting. As at 31st December 2015, there is a forecast overspend for the Council of £2.605m.

5.2 The overspend of £2.605m is made up as follows :-

| | |
|--------------------------|-----------|
| ▪ departmental overspend | £5.051m |
| ▪ corporate underspend | (£2.446m) |
| | £2.605m |

5.3 Where appropriate these reduced projections are being incorporated into the Medium Term Financial Strategy for 2016-20.

5.4 In terms of addressing issues which have been identified as pressures that need to be addressed in 2016/17 the following adjustments have been made to the MTFS:-

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Merton Adult Education | 600 | 0 | 0 | 0 |
| Loss of Housing Benefit Admin. Grant | 200 | 200 | 200 | 200 |

6. Capital Financing and Treasury Management

Treasury Management, Capital Financing and Investment Income:

6.1 Details are included in Section 5 of this report. Capital financing costs are derived from the draft capital programme which is discussed in Section 4 and estimated revenue funding is built into the MTFS for the level of borrowing that is expected.

6.2 Details relating to how the capital programme has changed from that approved by Council in March 2015 to the capital programme for 2016-20 are discussed in Section 4 of this report and related appendices. The capital programme has continued to be subject to major review as part of monthly monitoring and the process of developing the Business Plan for 2016-20.

6.3 In addition to reviewing the capital programme, focus has also been maintained on the treasury management aspects of funding the programme, to improve forecasts of available funding and to minimise as far as possible the costs of funding capital. This has included improved cash flow forecasting to enable the programme to be funded from capital receipts and internal resources for as long as possible to take advantage of current low levels of interest. Work is also continuing to ensure that grants and contributions are utilised effectively and this work will continue into the closing of accounts process for 2015/16 to ensure that the revenue impact of the capital programme is minimised in 2016/17 and beyond.

6.4 The revenue budget implications of the capital programme 2016-20 compared to those included in the MTFS approved by Council in March 2015 are summarised in the following table:-

Table 16: Summary of Capital Financing Costs and movement since 2015/16

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|---|-----------------|-----------------|-----------------|-----------------|
| Budgeted Capital financing costs of Programme approved by Council 4/03/2015 | 14,029 | 15,828 | 17,091 | 18,220 |
| | | | | |
| Change arising from recalculation of charges including financing and review and re-profiling of capital programme as set out in Section 4 | (1,124) | (3,458) | (4,891) | (5,129) |
| | | | | |
| Estimated capital financing costs of Capital Programme 2016-20 | 12,905 | 12,370 | 12,200 | 13,091 |

- 6.5 The analysis of the budget for capital financing costs and investment income is set out in the following table:-

Table 17: Details of Budgets for capital financing costs

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| MRP | 6,948 | 6,802 | 6,660 | 7,262 |
| Interest | 6,696 | 6,296 | 6,136 | 6,316 |
| Capital financing costs | 13,644 | 13,098 | 12,796 | 13,578 |
| Investment Income | (739) | (728) | (596) | (487) |
| Net | 12,905 | 12,370 | 12,200 | 13,091 |

7 GENERAL FUND BALANCES AND RESERVES

- 7.1 In determining an appropriate level of general fund balances previously, an analysis of the overall expenditure of the authority had been prepared. An updated version of this analysis has been prepared and is attached as Appendix 11. The overall level of balances is summarised below and compares with current GF balances of £15.152m as shown in the final accounts for 2014/15, but will need to be adjusted for outturn, with a projected overspend of £2.6m, leaving a balance of £12.5m.

Table 18: Indicative range of balances

| | Min | Medium | Max |
|-------------------|-------|--------|-------|
| | £m | £m | £m |
| Level of balances | 12.01 | 17.59 | 23.29 |

- 7.2 An alternative approach would be to look at a percentage based on the net spending of the authority. From the Audit Commission's report

“Striking a Balance”, most Chief Officers regarded an amount of between 3 and 5 per cent as a prudent level and the minimum the auditors would consider prudent. There are also some other areas of risk and unknowns in relation to the localisation of business rates and how this impact will flow thorough, in particular in relation to appeals. There is now an amount calculated for Merton called the safety net, below which income must fall before Merton becomes entitled to funding from central government. This approach is set out below, using an amount of 5 per cent.

Table 19: Indicative level of balances

| | £m |
|-------------------|------|
| Net spending | 7.4 |
| Safety Net | 2.5 |
| Appeals | 5.1 |
| Level of balances | 15.0 |

- 7.3 The average level of General Fund balances for outer London boroughs for 2014/15 was £17.6m, with a low of £8.0m and a high of £42.0m.
- 7.4 There has been a regular quarterly update on the use of earmarked reserves for 2015/16 reported through to Cabinet as part of the financial monitoring report. An initial review of their use over the MTFS has been undertaken as is shown in Appendix 8. This shows the level of earmarked reserves falling from £30.2m to £6.5m by 31 March 2020.
- 7.5 The average level of earmarked reserves for outer London boroughs for 2014/15 was £64.2m, with a low of £20.2m and a high of £123.3m. Merton, with £43.9m (excluding schools) is ranked 8th lowest out of 20 outer London boroughs

8. **Revenue Support Grant and Baseline Funding (Non-Domestic Rates)**

- 8.1 In 2013/14 there was a fundamental change in the funding methodology for local government services. This introduced the Business Rates Retention Scheme. Estimates of business rates receivable for 2016/17 have been produced and a summary is provided in Appendix 3.
- 8.2 The overall changes in formula grant compared to 2015/16, the original MTFS estimate for 2016/17 and the funding announced in the Final Local Government Finance Settlement are summarised in the following table:-

Table 20: Changes in Local Government Finance Settlement

| | 2015/16 £000 | Original 2016/17 £000 | Final 2016/17 £000 |
|-------------------------|-----------------|-----------------------------|--------------------------|
| RSG | 30,425 | 23,161 | 22,589 |
| RSG – Transition Grant | 0 | 0 | 567 |
| NNDR | 33,686 | 34,432 | 34,230* |
| NNDR - Section 31 Grant | 1,134 | 0 | 822* |
| Total | 65,245 | 57,593 | 57,641 |

* Based on NNDR1

9. Council Tax Strategy

9.1 In the Annual Residents Survey 2014, the residents' personal concerns over the level of council tax continued to reduce and stood at 21%. The Residents' Survey for 2014 took place from 15 September 2014 until 24 October 2014. Due to the withdrawal of the contractor from delivering the Survey of Londoners package it was not possible to run the usual survey in 2015.

9.2 Council Tax and Council Tax Freeze Grant

9.2.1 There will be no Council Tax Freeze Grant in 2016/17. As happened for previous years, the Government are going to roll the Council Tax Freeze Grant for 2015/16 into RSG for those authorities that qualified for the scheme in 2015/16.

9.2.2 The Settlement sets out the Government's council tax referendum principles for 2016/17. As for previous years, the core threshold for triggering the requirement for a local referendum is 2%.

9.2.3 The Settlement also confirmed the policy outlined in the Spending Review 2015 which enables authorities with adult social care responsibilities to increase Council Tax by up to 2% each year between 2016/17 to 2019/20 to fund adult social care services. Therefore, the effective threshold for local referendums for London boroughs is 4% for 2016/17.

10. Council Tax Base

10.1 Cabinet on 18 January 2016 agreed the Council Tax Base calculation for 2016/17. Details of the calculation are included as Appendix 3.

10.2 For 2016/17 the Council Tax Base has been calculated as:-

Table 21: Council Tax Base 2016/17

| | |
|---------------------------------|-----------------|
| Council Tax Base 2016/17 | 71,327.0 |
|---------------------------------|-----------------|

- 10.3 A separate council tax base calculation has been produced for the properties covered by the Wimbledon and Putney Common Conservators (WPCC) area. For 2016/17 the Council Tax Base for Wimbledon and Putney Commons Conservators has been calculated as:-

Table 22: WPCC Council Tax Base 2016/17

| | |
|--------------------------------------|-----------------|
| WPCC Council Tax Base 2016/17 | 11,127.2 |
|--------------------------------------|-----------------|

11. Greater London Authority Precept and Other Levies

- 11.1 The Greater London Authority (GLA) sets a budget for itself and each of the four functional bodies: Transport for London, the London Development Agency, the Metropolitan Police Authority, and the London Fire and Emergency Planning Authority. These budgets together form the consolidated budget.
- 11.2 On 21 December 2015, the Mayor of London published his draft revenue budget and capital spending plan for 2016-17 for consultation. This includes his draft budget proposals for the GLA (Mayor and Assembly), the Mayor's Office for Policing and Crime (MOPAC), the London Fire and Emergency Planning Authority (LFEPA), Transport for London (TfL), the London Legacy Development Corporation (LLDC) and the new Old Oak and Park Royal Development Corporation (OPDC).
- 11.3 The consultation budget proposed a reduction in the Mayor's Band D council tax precept of £19.00 (6.4 percent) from £295.00 to £276.00 in 2016-17 for council taxpayers in the 32 London boroughs.
- 11.4 The Mayor's 2016-17 final budget was approved unamended by the London Assembly on Monday 22 February 2016 (Band D £276.00).
- 11.5 **Other Levies**
- 11.5.1 The Council is required by statute to pay certain levies to the organisations listed below. The levies for 2016/17 are still to be confirmed but the latest estimates are set out in the following table:-

Table 23: Other Levies

| | 2015/16 £000 | 2016/17 £000 | 2016/17 Change % |
|-------------------------------|-----------------|-----------------|---------------------|
| London Pension Fund Authority | 264 | 262 | (1.0)% |
| Lee Valley Regional Park | 209 | 204 | (2.5)% |
| Environment Agency | 159 | 162 | 1.9% |

11.6 Wimbledon and Putney Commons Conservators (WPCC)

- 11.6.1 A separate precept is levied in respect of those residents of properties bordering the Wimbledon and Putney Commons. The amount is calculated on the basis of the amount levied by the Commons Conservators and the Band D Council Tax in respect of the WPCC precept in 2016/17 will be £300,042, an increase of £7,096 from the 2015/16 levy of £292,946.

Table 24: Wimbledon and Putney Commons Conservators Precept

| | 2015/16 £000 | 2016/17 £000 | Change % |
|---|-----------------|-----------------|-------------|
| Wimbledon & Putney Commons Conservators | 293 | 300 | 2.4% |

- 11.6.2 The average Band D cost to a council taxpayer in the WPCC area has changed from £26.93 in 2015/16 to £26.97 in 2016/17.

12. CONCLUSIONS

- 12.1 It is a statutory requirement that the council sets a balanced budget in 2016/17.
- 12.2 In accordance with sections 52ZY and 68 of the Local Government Finance Act 1992 ('the 1992 Act'), section 139A of the Local Government Finance Act 1988, and section 230 of the Local Government Act 1972 authorities are required to supply information required to measure whether any proposed Council Tax increase is in excess of the principles laid down requiring a local referendum.
- 12.3 The Government return is the Council Tax Requirement form CTR1 which was due to be received from the department of Communities and Local Government in the week commencing 1 February 2016 and will need to be returned within 7 days of the Council Tax being set. However, the issue of the form has been delayed until week commencing 12 February 2016.
- 12.4 The Government are changing the form in response to changes in legislation and in particular the changes relating to potential increases in council tax to fund adult social care.

- 12.5 The Medium Term Financial Strategy assumes that all of the corporate provisions, proposals for growth and proposals for savings, in 2016/17 discussed in this report are agreed and if this is the case, the following financial position is achieved:-

Table 25: Average Band D Council Tax

| Average Council Tax Calculation at Band D | 2015/16 £m | 2016/17 £m |
|--|-----------------------|-----------------------|
| Budget Requirement | 155.016 | 147.596 |
| RSG + Business Rates + Transition | (64.111) | (57.386) |
| Section 31 Grant (NNDR) | (1.134) | (0.822) |
| New Homes Bonus | (2.642) | (4.192) |
| PFI Grant | (4.797) | (4.797) |
| Council Tax Freeze Grant | (0.861) | 0 |
| Collection Fund Surplus | (4.420) | (1.479) |
| Council Tax Requirement | 77.051 | 78.920 |
| Council Tax Base | 69,638.0 | 71,327.0 |
| Average Council Tax | 1,106.45 | 1,106.45 |

- 12.5 The calculation of Band D council tax for properties outside the Wimbledon and Putney Commons Conservators area is as follows:

Table 26: Council Tax calculation

| Council Tax Calculation Band D | 2015/16 £m | 2016/17 £m |
|---|-----------------------|-----------------------|
| Budget requirement | 155.016 | 147.596 |
| WPCC | (0.293) | (0.300) |
| RSG + Business Rates (inc. S.31 grant) + Transition | (65.245) | (58.208) |
| New Homes Bonus | (2.642) | (4.192) |
| PFI Grant | (4.797) | (4.797) |
| Council Tax Freeze Grant | (0.861) | 0 |
| Collection Fund Surplus | (4.420) | (1.479) |
| Balance to be met from Council Tax | 76.758 | 78.620 |
| Implied Council Tax (Band D) | 1,102.25 | 1,102.25 |

- 12.6 The implications for the level of Council Tax on a Band D property, including the GLA precept are set out as follows:-

Table 27: Band D Council Tax

| Council Tax at Band D | 2015/16 £ | 2016/17 £ | % change from 2015/16 |
|--------------------------------------|----------------------|----------------------|--------------------------------------|
| Merton (exc. WPCC) | 1,102.25 | 1,102.25 | 0.0% |
| GLA Precept (Provisional) | 295.00 | 276.0 | (6.4)% |
| Implied Council Tax at Band D | 1,397.25 | 1,378.25 | (1.4)% |

- 12.7 A summary Statement of Council Tax requirements and balances based on the proposals set out in this report is attached as Appendix 6, and a revised MTFS summary incorporating the proposed changes set out in this report is provided at Appendix 7.

13. Risk Management

- 13.1 The management of risk is strategically driven by the Corporate Risk Management Group. This is the central hub of a number of council mechanisms for risk management including a Corporate Key Strategic Risk Register, departmental risk registers and project risk registers. The group collates on a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership, to be put forward for discussion at CMT. Reports on risk are made through the General Purposes to cabinet and council. Developing a corporate business plan and setting a balanced budget 2016-20 and beyond has been highlighted as a key strategic risk on the corporate risk register.
- 13.2 Currently £8.3 million of savings are being progressed for 2015-16, coupled with a further £30m of savings identified for 2016-20. Current practice is to monitor delivery of savings as part of the monthly Business Plan Monitoring, it is envisaged that given the size of the savings target over the next three years, additional mechanisms may need to be established to monitor more transformational and longer term projects.

14. Summary

- 14.1 Taking into account the changes that have taken place since the Cabinet meeting in February, the budget gap in the MTFS has changed to the following:-

Table 28: Cumulative MTFS Gap 2016-2020

| | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 £m |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| MTFS gap (cumulative) | 0 | 0 | 0 | 3.469 |

- 14.2 There is the offer for authorities to apply for a four year budget and we have until 14 October 2016 to respond. There is a high level of uncertainty about RSG and Business Rates funding in the future, particularly with the review of Business Rates and their retention by local authorities. Current forecasts for the gap beyond 2019/20 indicate that it will be significant.

15. **Future Years**

- 15.1 As indicated in the updated MTFS there is a gap between the forecast level of resources and budget requirements for later years which will need to be addressed if balanced budgets are to be set for those years. The updated MTFS is set out in Appendix 7.
- 15.2 The budget process for 2017/18 will commence in the new financial year and some of the options available to the Council to eliminate the budget gaps include:-
- Savings – reduction/deletion of services
 - Savings – efficiencies including procurement
 - Income – increase in fees and charges/new sources of income
 - Council Tax increase
 - Adult Social Care Precept
 - Use of balances

16. **Positive Assurance Statement**

- 16.1 Section 25(2) of the Local Government Act 2003 requires the Chief Financial Officer of an authority to report on:
- (a) the robustness of the estimates made for the purposes of the calculations, and
- (b) the adequacy of the proposed financial reserves.
- 16.2 In doing so, the Director of Corporate Services has had particular regard to the guidance offered by the Chartered Institute of Public Finance and Accountancy and the views of the Council's external auditor.
- 16.3 One of the Council's stated priorities is to keep council tax low. To achieve this, the Council must have regard to the major risks to its financial position and in particular:
- The current economic position
 - Whether budget setting and monitoring processes are robust and effective
 - Demand pressures on the budget
 - Identifying and achieving cost and income improvements
 - Risks to Government funding levels

- Risks to other income streams

- 16.4 Local government finance issues have been dominated in recent times by cuts in government funding and pressure to keep council tax increases down, with the offer of government grant to help do so. The final Settlement confirms the 2% Council Tax referendum threshold in order to keep bills down for hard working people. Alongside this, the longer term position is also made more uncertain by the changes in the way Government Funding is calculated and the changes proposed to Business Rates. Although the MTFS shows significant progress to date towards a balanced budget over the medium term, the longer term position remains extremely challenging. Local authorities have been offered an additional 2% flexibility for the rest of the current Parliament on their current council tax referendum threshold to be used entirely for adult social care. This flexibility is being offered in recognition of demographic changes which are leading to growing demand for adult social care, and increased pressure on council budgets. Final details of how this will work are still to be confirmed. The impact of this and potentially on the level of the council tax threshold will be kept under review during the MTFS. Members should also note that freezing Council Tax levels produces a permanent real terms reduction in Council Tax yield.
- 16.5 With relatively low allowance for demand growth, uncertainty over Government funding, increased concerns over income funding streams, and the need to achieve challenging savings targets, the risks inherent in the revenue budget are inevitably increased. The Council has sufficient reserves to deal with such a position in the short term and will be reviewing transformation of the authority to identify further saving opportunities over the next four year budgeting period.
- 16.6 The Council's reserves and their usage is linked to both the capital and revenue budget. A list of the current reserves held by the Council is attached at Appendix 8. Although reserves are likely to reduce overall, this is a result of their use for the purposes they were established. The overall level therefore remains adequate.
- 16.7 It should be noted that the Pension Fund Reserve is, in common with many other Pension Funds, showing a large deficit. The Council has a long term recovery plan for the fund and expects employer funding requirements to be improved by the outcome of the Governments proposed changes to public sector pension schemes. Balancing this, the expected reducing numbers contributing to the fund over time will increase pressure on employer contribution rates. Officers will be continuing discussions with the fund's actuary and the Council's Pension Fund Committee on how best to address this position in the longer term.
- 16.8 Chief Officers have reviewed their budgets in line with departmental finance officers and are confident that the budgets set for their services are robust and with the corporate contingency will meet the strategic objectives and performance targets set out in the Business Plan.

- 16.9 In summary, it is the view of the Chief Financial Officer (being the Director of Corporate Services) that the estimates are robust for the purposes of the required budget/council tax calculations and that the Council's reserves are adequate.

17. **Business Rates Retail Reliefs**

- 17.1 The transitional relief discount to small and medium businesses who meet the criteria expires on 31 March 2017.

DRAFT RESOLUTIONS**Revenue Report:**

1. Members approve the proposed budget for 2016/17 set out in Section 2 of the revenue report, together with the proposed Council Tax levy in 2016/17.
2. That it be noted that at its meeting on 18 January 2016 the Council calculated its **Council Tax Base for the year as 71,327.0** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012(SI 2012: 2914).
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 11,127.2** in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
4. That the Council agrees 4(a) - 4(i) below, which are calculated in accordance with Section 31A to 49B of the Localism Act 2011, amending Section 32 of the Local Government Finance Act 1992.
 - a) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act

| | £m |
|---|----------------|
| Gross Revenue Expenditure of Service Committees | 512.373 |
| Corporate Provisions | 6.895 |
| Amounts Payable to the Levying Bodies | 0.928 |
| Contribution to/(from) Financial Reserves | 1.693 |
| Gross Expenditure | 521.889 |

- b) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act

| | £m |
|---------------------|----------------|
| Gross Income | 442.969 |

NB: The final analysis of gross expenditure and income may vary from the figures shown above as a result of some minor changes in allocations e.g. overheads

- c) being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31(4) of the Act, as its Council Tax Requirement for the year

| | £m |
|---|---------------|
| Council Tax Requirement for the Council's own purposes for 2016/17 (including special expenses re WPCC) | 78.920 |

- d) being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of revenue support grant, and baseline funding (NNDR) to constitute the Council's formula grant

| | £m |
|--|-----------------|
| Revenue Support Grant including Transition Grant | (23.156) |
| Baseline funding NNDR & Section 31 Grant | (35.052) |
| Formula Grant | (58.208) |

- e) being the amount at 4(c) above, divided by the amount for Council Tax Base at 2 above, calculated by the Council above, in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including special items (WPCC)).

| | £ |
|--|-----------------|
| Merton's General Band D Council Tax Levy (including properties within Wimbledon and Putney Commons Conservators area) | 1,106.45 |

- f) being the aggregate amount of all special items referred to in Section 34(1) of the Act

| | £ |
|---|----------------|
| Wimbledon and Putney Commons Conservators Special Levy | 300,042 |

- g) being the amount at 4(e) above, less the result given by dividing the amount at 4(f) above by the amount of the Council Tax Base at 2 above in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items (WPCC special levy) relates.

| | £ |
|--|-----------------|
| Merton's General Band D Council Tax Levy (excluding WPCC) | 1,102.25 |

- h) being the amounts given by adding to the amount at 4(g) above, the amounts of the special item or items relating to dwellings in the area of Wimbledon and Putney Commons Conservators (WPCC) mentioned above at 4(f) divided by the amount at 3 above, calculated in

accordance with Section 34(1) of the Act, as the basic amounts of its Council Tax for the year for dwellings in the area of WPCC.

| | £ |
|---|-----------------|
| Wimbledon and Putney Commons Conservators Band D | 1,129.22 |

- i) being the amounts given by multiplying the amounts at 4(g) and 4(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

| Part of the Councils Area | Valuation Bands | | | | | | | |
|---------------------------------|-----------------|--------|----------|----------|----------|----------|----------|----------|
| | A £ | B £ | C £ | D £ | E £ | F £ | G £ | H £ |
| | 734.83 | 857.31 | 979.78 | 1,102.25 | 1,347.19 | 1,592.14 | 1,837.08 | 2,204.50 |
| Parts inc. WPCC | 752.81 | 878.28 | 1,003.75 | 1,129.22 | 1,380.16 | 1,631.10 | 1,882.03 | 2,258.44 |

5. To note that the Greater London Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below, and that the Council agrees the Council Tax levy for 2016/17 by taking the aggregate of 4(i) above and the Greater London Authority precept.

| Precepting Authority | Valuation Bands | | | | | | | |
|-------------------------|-----------------|--------|--------|--------|--------|--------|--------|--------|
| | A £ | B £ | C £ | D £ | E £ | F £ | G £ | H £ |
| G L A | 184.00 | 214.67 | 245.33 | 276.00 | 337.33 | 398.67 | 460.00 | 552.00 |

For information purposes this would result in the following Council Tax Levy for Merton residents:-

| Part of the Council's Area | Valuation Bands | | | | | | | |
|-------------------------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|
| | A £ | B £ | C £ | D £ | E £ | F £ | G £ | H £ |
| | 918.83 | 1,071.98 | 1,225.11 | 1,378.25 | 1,684.52 | 1,990.81 | 2,297.08 | 2,756.50 |
| Parts inc. WPCC | 936.81 | 1,092.95 | 1,249.08 | 1,405.22 | 1,717.49 | 2,029.77 | 2,342.03 | 2,810.44 |

Local Government Finance Settlement 2016-17 – Main Issues

The provisional 2016-17 Local Government Finance Settlement was announced on 17 December 2015 with the Final Settlement being issued on 8 February 2016. The Settlement provides final core funding allocations (Settlement Funding Assessment – SFA) for 2016/17 and provisional figures for 2017/18 to 2019/20, for local authorities for the four year period 2016-17 to 2019-20. Councils accepting the provisional figures for the four years will have to publish an efficiency plan and have until 14 October 2016 to decide.

Key Changes between the Provisional Settlement to the Final Settlement

- No council will receive less funding in 2016-17 than outlined in the provisional settlement.
- Over £400 million additional funding has been provisionally allocated: this is “new” money from HM Treasury
- Transitional funding for the first two years of £150 million a year for councils with the “sharpest reductions in Revenue Support Grant”. Merton will receive £0.567m in 2016/17 and £0.557m in 2017/18.
- No authority will have “negative RSG” before 100 per cent retention of business rates
- An increase in Rural Services Grant from £20 million to £85 million in 2016-17.
- District councils will be able to raise a de minimis £5 more a year in Council Tax without triggering a referendum (generating an additional £109 million over the SR period).
- A “Fair Funding” review of needs assessments will be carried out ahead of 100 percent business rates retention.
- Government will consult on allowing well-performing planning departments to increase their fees in line with inflation.
- New Homes Bonus allocations have reduced by £1m since the provisional Settlement

Other Key Points from the Settlement

- The government is proposing a new method for distributing Revenue Support Grant taking into account the relative distribution of each authority’s 2015-16 RSG, Baseline Funding and Council Tax.
- Overall, the Settlement Funding Assessment for England will fall by 12.5% in 2016-17 (11.3% for London Boroughs), and by 30.8% by 2019-20 (28.2% for London Boroughs).
- Core funding from government to London boroughs will have fallen by 63% in real terms between 2010-11 and 2019-20.
- There will be no Council Tax Freeze Grant in 2016-17. Funding for previous years’ grants will continue.
- The council tax referendum threshold will remain at 2%, and as announced in the Spending Review, upper tier authorities will be allowed to raise a further 2% to spend on social care.
- In 2016-17, £1.5bn of New Homes Bonus (NHB) will be awarded nationally. London’s share is £308m (21%). The Government is consulting on options to

reform the NHB – moving from a 6 year to a 4 year rolling scheme and sharpening the incentives (meaning a reduction to annual award) that will save £800m in 2019-20 to partly fund the “improved” Better Care Fund (BCF)

- The new BCF funding will be £105m in 2017-18 rising to £1.5bn by 2019-20.
- Education Support Grant (ESG) will be cut from £564m to £514m nationally (8.8%) and from £94m to £86m across London (8.8%)

Four year settlement

Unlike previous years, the Settlement includes figures for four years (2016-17 to 2019-20). The Government have presented this as an ‘offer’ to local government with the only clear proviso in the consultation being that any council accepting the offer will have to publish an efficiency plan. There are no details about what this would include or when councils will have to submit these plans. However the Government, in the consultation, has indicated that Councils should use their multi-year settlements to “strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents”. In the final Settlement announcement, Councils were notified that they have until 14 October 2016 to agree funding for the remaining years of the Spending Review period (2017/18 to 2019/20)

Spending Power

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

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

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

Changes to the distribution of central resources

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

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

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

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

The settlement also incorporates funding additional to the settlement which includes:

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

New RSG distribution

The settlement includes an important change to the way central resources will be allocated in order to ensure that “local councils delivering similar services receive a similar percentage change in ‘settlement core funding’ for those services”. Unlike the last 3 years, when the Government ‘protected’ rolled-in grants on the funding trajectories set out in Spending Review 2010 thereby focusing larger proportionate cuts on upper and lower tier funding element, the new funding distribution method for RSG takes into account the wider resources available to councils including Council tax (including CTFG grants), locally retained business rates and RSG, when distributing RSG. There is no proposed damping or scaling.

Settlement Funding Assessment

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

At a national level, Settlement Funding Assessment (SFA) will reduce from £21.3 billion in 2015-16 to £18.6 billion in 2016-17 (12.5%). For the period to 2019/20 the reduction is 30.8% (35.7% real terms) For London boroughs SFA reduces by 11.3% (from £3.8 billion to £3.4 billion) in 2016-17. This is split between an increase of £17 million or 0.8% in baseline funding and a reduction in RSG of £452 million or 24.7%. For London in the period to 2019/20 the reduction is 28.2% and this is a real terms decrease of 33.4%.

Business rates reform

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

- Conduct a review of what the needs assessment formula will be;
- consider giving more responsibility to councils in England and to Wales, to support older people with care needs, including people who under the current system would be supported through Attendance Allowance and is planning to consult in 2016 on this proposal, including on the right model of devolution and the level of flexibility that councils would need in order to effectively deliver this additional responsibility;
- seek the “earliest opportunity” to legislate on this in 2016/17;
- set up systems to involve councils, businesses and others in the process early in 2016; and
- consult on the implementation of the 100% business rates retention scheme in summer 2016, following a period of extensive engagement with councils and their representatives in the preceding months.

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

Special and specific grants

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

New Homes Bonus

The Spending Review set out the overall envelope for New Homes Bonus payments over the period to 2019-20 as being £1.485 billion for 2016-17, reducing to £900 million by 2019-20. The Government has published provisional allocations for 2016-17 – the final year of the 6 year rolling New Homes Bonus (NHB) scheme. London boroughs' share of the national total has stayed broadly the same at 21%, receiving £308 million of the £1.46 billion national total. The Autumn Statement 2013 announced that local authorities in London would be required to pool £70 million of New Homes Bonus in 2015-16 to support of the work of London's Local Enterprise Partnership. The LEP top slice will not continue in 2016-17.

Alongside the settlement consultation there is a separate consultation on reforms to NHB that were announced at the Spending Review. This consultation seeks views on the options for change to two aspects of the Bonus: reducing overall costs by moving from 6 years to 4 of payments and reform of the Bonus in order to better reflect local authorities' performance on housing growth (i.e. "to sharpen the incentive"). It also considers options for staying within the funding envelope in the event of a sudden surge in housing growth. Further work will be done to understand the implications of these options. The core spending power figures include an estimate for NHB allocations in each of the years to 2019-20. For 2016-17, the funding line includes both New Homes Bonus allocations and returned funding which are the actual allocations. For 2017-18 onwards, the national totals set at the Spending Review are used and are apportioned between local authorities according to local authority shares in 2016-17. These should therefore be treated with caution.

Better Care Fund

Together with the additional council tax flexibility for adult social care, the Government is providing £1.5 billion additional funding for authorities to spend on adult social care by 2019-20, to be included in an improved Better Care Fund. Government proposes to allocate this funding through a separate grant to local government using a methodology which benefits those councils who benefit less from the additional council tax flexibility for social care. For exemplification of core spending power projections to 2020, the methodology adopted is essentially one of allocations of the improved Better Care Fund being adjusted so that where an authority could receive more from the additional council tax flexibility than its share of the national amount of the 2013 adult social care relative needs formula, its allocation is set to zero rather than a notional figure. This affects 12 London boroughs in 2017-18, two in 2018-19 and one (Richmond-upon-Thames) in 2019-20. The Government will invite views on the approach and there will be a separate, formal consultation on the Government's proposed distribution methodology

Independent Living Fund

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

Council Tax

The provisional settlement sets out the Government's council tax referendum principles for 2016-17. Once again, the core threshold for local referendums will be at 2%. It also confirms the policy outlined in Spending Review 2015 that councils with adult social care responsibilities (upper tier authorities) will be able to increase council tax by up to 2% for each year between 2016-17 and 2019-20 to fund adult social care services. The effective threshold for local referendums for London boroughs is 4% for 2016-17. The threshold for the (51) lowest district councils will be £5 a year. Adult social care authorities can increase their council tax by up to 2% more than the core referendum principle on the following basis: 'Spending on ASC in 2016-17 is £X higher than it would have been, where X= revenue from additional ASC council tax flexibility'.

Section 151 officers in ASC authorities are required to provide information demonstrating that an amount equivalent to the additional council tax has been

allocated to adult social care. This must be done within 7 days of their authority setting its budget and council tax for 2016-17.

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

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

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

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

School Revenue Funding Settlement: 2015 to 2016

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

Education Services Grant

The overall ESG will be cut by 7.5% from £815 million in 2015-16 to £750 million in 16/17. This is “a first step towards achieving the savings announced in the spending review” of £600 million. The amount paid directly to local authorities will fall 8.8% from £564 million in 2015-16 to £514 million in 2016-17, including an 8.5% cut from £93.6m to £85.7m in London. The remainder is paid directly to academies, which will continue to receive protection against large falls in ESG.⁷ The retained duties rate of £15 per pupil will be maintained, but general funding rates will be reduced by 11.5% across all school types.

Dedicated Schools Grant (DSG)

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

Schools block

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

High needs block

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

Early years block

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

Pupil premium

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

The provisional Settlement outlined provisional core funding allocations (Settlement Funding Assessment (SFA) for local authorities for the four year period 2016-17 to 2019-20. Four year funding is an offer to local authorities subject to authorities publishing an efficiency plan. Details of what is required in the plan and the deadlines required are still to be provided. The Settlement Funding Assessment is the total of Revenue Support Grant (RSG) and Baseline Funding (BF) from Business Rates. Councils have until 14 October 2016 to agree funding for the remaining years of the Spending Review period (2017/18 to 2019/20)

Settlement Funding Assessment

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

Settlement Core Funding

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

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

Core Spending Power

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

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

Settlement core funding

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- council tax income from 2015-16 (including any Council Tax Freeze Grant)
- the Settlement Funding Assessment, comprising:
 - estimated business rates income (baseline funding level under the rates retention scheme)
 - Revenue Support Grant.

Settlement Funding Assessment

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

Core Spending Power

Defined by the DCLG as Settlement Funding Assessment plus Council Tax Requirement plus Better Care Fund plus Rural Services Grant.

THE COLLECTION FUND, COUNCIL TAX BASE AND BUSINESS RATES

1. Introduction

- 1.1 This appendix summarises three key areas which are fundamental to the Council's revenue resource generation. It sets out the procedures and calculations that underpin each of them.

2. Collection Fund

- 2.1 The Collection Fund is a statutory fund separate from the General Fund. It accounts for income from Council Tax, including those properties within the Wimbledon and Putney Commons Conservators area. The bodies on whose behalf the income has been raised are the Council and the Greater London Authority (which includes the services of the Metropolitan Police and the London Fire and Emergency Planning Authority (LFEPA)). The Council's demand on the Collection Fund is by its General Fund. The Greater London Authority's demand is expressed as a precept.
- 2.2 Under the localised arrangements for council tax support, the Collection Fund entries for council tax remain unchanged, and council tax discounts reduce the council tax base and the amount of collectable council tax income. The additional resources to cover the loss of council tax income are provided by council tax support grant which is credited to the General Fund.
- 2.3 The Collection Fund also accounts for National Non-Domestic Rates and there have been significant changes to the treatment of NNDR due to the changes to local government funding arising from business rates retention and the Local Government Finance Act 2012 (Section 3, part 2)
- 2.4 The Collection Fund will account for receipts from business ratepayers, together with payments:
- to central government in respect of the central share
 - to/from central government in respect of transitional protection payments where applicable
 - to relevant precepting authorities in respect of their share of rating income
- 2.5 While there remains a single Collection Fund, local authorities now have to be able to separate the elements relating to council tax and non-domestic . rates and calculate separate surpluses and deficits on each.
- 2.6 A billing authority needs to ensure that its collection fund has sufficient resources to meet the demands on it at all times. To the extent that there is insufficient in the collection fund to meet those demands at any time, the billing authority has temporarily to "borrow" from its general fund.

- 2.7 The Collection Fund accounts are kept on an accrual basis and a surplus or deficit for the year in the collection fund is estimated accordingly.
- 2.8 The audited accounts for 2013/14 include the following surplus/deficit for Council Tax and NNDR as at 31 March 2014:-

| | Surplus/ (deficit) as at 31/03/15 Outturn | Surplus/ (deficit) as at 31/03/15 Outturn | Total surplus/ (deficit) as at 31/03/15 |
|--------------------|--|--|--|
| | Council Tax | NNDR | |
| | £000 | £000 | £000 |
| Central Government | N/A | (3,102) | (3,102) |
| GLA | 1,274 | (1,241) | 33 |
| Merton | 4,716 | (1,862) | 2,854 |
| Total | 5,990 | (6,205) | (215) |

2.9 Council Tax

The estimated surplus on the Collection Fund as at 31st March 2016 due to Council Tax is £4.053m. This is to be shared £3.200m (78.95%) to Merton and £0.853m (21.05%) to the GLA.

2.10 NNDR

Since 2013/14, it is necessary to calculate the estimated surplus/deficit on the Collection Fund arising from Business Rates. This estimation is required as part of the council's NNDR1 Return which has to be submitted to the Department for Communities and Local Government (DCLG) by 31 January 2016. Part 4 of this return relates to the calculation of the estimated Collection Fund balance as at 31/3/16.

Based on the calculation in the Council's NNDR1 (Part 4) there is an estimated deficit on the Collection Fund as at 31st March 2016 due to NNDR of £5.736m. This is to be shared £2.868m (50%) to Central Government, £1.721m (30% to Merton) and £1.147m (20%) to the GLA.

3. Council Tax Base 2016/17

- 3.1 The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent).
- 3.2 Since 2013/14 the Council Tax Base calculation has been affected by the introduction of the new local council tax support scheme and technical reforms to council tax. On 30 November 2012, new regulations set out in the

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

- 3.3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.
- 3.4 The relevant amounts are calculated as
 - number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year,
 - adjusted for the number of discounts, and reductions for disability, that apply to those Dwellings
- 3.5 All authorities notify the DCLG of their unadjusted Council Tax Base using a CTB Form and the deadline for return was 16 October 2015 and Merton met this deadline.
- 3.6 The CTB form for 2016/17 includes the latest details about the Council Tax Support Scheme and the technical reforms which impacted on discounts and exemptions.
- 3.7 There is a separate council tax base for those properties within the area covered by Wimbledon and Putney Commons Conservators. The Conservators use this, together with the Council Tax bases from RB Kingston, and Wandsworth to calculate the levy which is charged each year.
- 3.8 Assumptions in the MTFS for calculating the 2016/17 Council Tax Base
 - 3.8.1 In producing a forecast of council tax yield in future years, there are two key variables to be considered:-
 - the year on year change in Council Tax Base
 - the council tax collection rate
 - 3.8.2 The draft MTFS reported to Cabinet assumes that the Council Tax Base increases 0.5% per year and that the collection rate is 97.25% in each of the years.
- 3.9 Details of the Council's Tax Base calculation for 2016/17 were reported to Cabinet on 18 January 2016 and a Council Tax Base for Merton as a whole and for the Wimbledon and Putney Commons Conservators area was agreed as follows:-

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

3.10 Council Tax Yield 2016/17

3.10.1 Based on the latest information about Council Tax proposals for 2016/17 the estimated Council Tax yield for 2016/17 is:-

| Council Tax: Whole area | Tax Base | Band D 2016/17 | Council Tax Yield 2016/17 | Council Tax Yield 2015/16 |
|------------------------------------|-----------------|---------------------------|--|--|
| Merton | 71,327.0 | £1,102.25 | £78.620m | £76.758m |
| WPCC | 11,127.2 | £26.97 | £0.300m | £0.293m |
| GLA | 71,327.0 | £276.00 | £19.686m | £20.543m |

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

4. Business Rates

4.1 Introduction

The Local Government Finance Act 2012 entailed major changes to the funding of local government. From April 2013, the Government reformed the way in which local government is funded through the introduction of the business rates retention scheme. 2016-17 will be the fourth year of the rates retention scheme. From 2013/14 for London boroughs, 50% of the income is paid to central government, the Greater London Authority (GLA) receives 20%, leaving London boroughs with the remaining 30%.

4.2 The 2013-14 local government finance settlement was the first under the new arrangements. It provided each local authority with its starting position under the business rates retention scheme. These are fixed until the first system reset, that the Government intends will take place in 2020. However, they will be uprated for inflation using the annual increase in the small business rates multiplier which is usually based on September RPI.

For 2013/14, the Department for Communities and Local Government (DCLG) calculated a baseline funding level of £31.415m and a “top-up” payment of £7.547m in 2013/14. Based on the uprate for inflation, Merton’s baseline funding level for 2016/17 announced in the Final Local Government Finance Settlement is £32.911m and the top-up is £7.906m.

4.3 The estimates for NNDR income included in the MTFS will be based on Merton’s share of the estimated NNDR income submitted on the NNDR1

form. Merton keeps 30% of any growth in the total business rates collected in the borough but if there is a decline in yield Merton will need to meet 30% of the shortfall. Based on the NNDR1 return for 2016/17 Merton's share is £26.324m which when added to the top-up payment for 2016/17, produces an NNDR estimate for 2016/17 of £34.230m.

4.4 NNDR1

The statutory framework effectively requires a billing authority, before the beginning of a financial year, to forecast the amount of business rates that it will collect during the course of the year and, from this, to make a number of allowable deductions in order to arrive at a figure for its non-domestic rating income. It is the non-domestic rating income that is shared between the parties to the scheme. The framework also sets out how the billing authority is to treat allowable deductions – requiring that either they are paid to major precepting authorities, or transferred to the authority's General Fund.

- 4.5 The calculations that authorities make before the start of the financial year determine how much they must pay to central government and their major precepting authorities during the course of the year. Since these payments are fixed at the outset of the year, it follows that any difference between forecast amounts and final outturns will result in a surplus, or deficit on the billing authority's Collection Fund. Any such surplus or deficit is shared between government, billing authorities and their major preceptors (excluding policing bodies) in line with their share of the business rates baseline.

- 4.6 The estimate for the actual income figure (or net rate yield) for 2016/17 is based on the NNDR1 return to the DCLG. This had to be finalised by 31 January 2016, and calculates the amounts to be paid to central government, to the GLA and the amount to be retained by Merton to be used as part of the budget setting process.

4.7 Latest developments

In the Spending Review 2015 and confirmed in the provisional Local Government Finance Settlement, the Government announced that it "will allow local government to keep the rates they collect from business, give councils the power to cut business rates to boost growth, and give elected city-region mayors the power to levy a business rates premium for local infrastructure projects – with the support of local business. By the end of the Parliament local government will retain 100% of business rate revenues to fund local services". The Government will consult on this in summer 2016.

The Settlement also announced that compensation will continue in 2016-17 for the 2% cap on the small business rates multiplier announced at the 2013 and 2014 Autumn Statements, calculated on the basis of the reduction to estimated retained income, as in 2014-15

The September 2015 RPI figure has been announced as 259.6 which gives an inflation rate of 0.8%. This should result in a Small Business Non Domestic Rating Multiplier for 2016/17 of 0.484, so, if the supplement for Small Business Rate Relief (SBRR) remains unchanged at 0.013 then the full multiplier for England in 2016/17 will be 0.497

The multipliers are still classed as Provisional and will not be confirmed until February.

The business rate multipliers for 2015/16 are:-

- Small Business Multiplier 48.4p per £ (48.0p in 2015/16)
- Standard Multiplier 49.7p per £ (49.3p in 2015/16)

Large individual properties in London with a rateable value of more than £55,000 will also be subject to a 2p in the £ business rate supplement to help pay for Crossrail.

4.8 **Estimating the net rate yield for 2016/17**

The starting point is the aggregate rateable value for Merton as at 31 December 2015. (£201.743m) This is a fixed figure based on the VO's valuations for all business properties in Merton at that date. A multiplier is then applied to this rateable value as set by central government (the rate in the pound charged for that year, which for 2016/17 will be 48.4p in the £). This gives a gross rates figure of £97.643m.

4.9 Estimating the income figure is extremely difficult, as there are many factors which can significantly affect the overall figure. These include:

- Changes in rateable value from new properties entering rating or properties being taken out of rating
- Revaluations due to the backlog of appeals which, if successful, will be backdated in most cases to April 2010
- Empty and charitable reliefs
- Losses in collection

4.10 Estimated Surplus or Deficit

Due to the variability of some of the factors, it is inevitable that the final figure at the end of each year will be different to the estimate. Therefore, a further calculation is required at the end of each year to estimate the surplus or deficit on the Collection Fund (as is also done for Council Tax).

4.11 2015-16 was the first year for which authorities had to estimate the non-domestic rating surplus, or deficit on the Collection Fund. The Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 2013/452) require billing authorities to notify the Secretary of State and their major precepting authorities of their calculation of non-domestic rating income for 2016-17 and estimate the surplus/deficit on the Collection Fund by 31 January 2016.

Regulation 13 effectively requires an estimate of the surplus/deficit that the authority believes will exist at 31 March 2016, on the basis of a statutory calculation set out in Schedule 4 to the Regulations. The estimated amount will be shared between the authority, its major preceptors and central Government and will be added (or subtracted) from each party's share of 2016-17 non-domestic rating income.

- 4.12 A copy of Merton's NNDR1 for 2016/17 is attached.
- 4.13 The following table summarises the difference between the estimates from the NNDR1 for 2016/17 and the figures included in the MTFS at the January 2016 Cabinet:-

Implications of NNDR1 2016/17 for Merton in 2016/17

| | MTFS £000 | NNDR1 £000 | Difference £000 |
|--|--------------|---------------|--------------------|
| NNDR 2016/17 | 26,422 | 26,324 | (98) |
| - Top-Up 2016/17 | 8,010 | 7,906 | (104) |
| | 34,432 | 34,230 | (202) |
| Collection Fund Surplus/Deficit(-) 2015/16 | (1,469) | (1,721) | (252) |
| | 32,963 | 32,509 | (454) |
| Section 31 Grant | 0 | 822 | 822 |
| Total | 32,963 | 33,331 | 368 |

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**2016-17**

Please e-mail to: nndr.statistics@communities.gsi.gov.uk by no later than **31 January 2016**.
In addition, a certified copy of the form should be returned by no later than **31 January 2016** to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Select your local authority's name from this list:

Authority Name
E-code
Local authority contact name
Local authority contact number
Local authority e-mail address

| |
|--|
| Merton |
| Mendip |
| Merton |
| Mid Devon |
| Mid Suffolk |
| Mid Sussex |
| Merton |
| E5044 |
| Richard Mason |
| 020 8545 3670 |
| richard.mason@merton.gov.uk |

Ver 1.31

**PART 1A: NON-DOMESTIC RATING INCOME
COLLECTIBLE RATES**

1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments

£

88,018,196

TRANSITIONAL PROTECTION PAYMENTS

2. Sums due to the authority

0

3. Sums due from the authority

0

COST OF COLLECTION (See Note A)

4. Cost of collection formula

272,612

5. Legal costs

0

6. Allowance for cost of collection

272,612

SPECIAL AUTHORITY DEDUCTIONS

7. City of London Offset : Not applicable for your authority

0

DISREGARDED AMOUNTS

8. Amounts retained in respect of Designated Areas. Not applicable for your authority

0

9. Amounts retained in respect of Renewable Energy Schemes (See Note B)

0

of which:

10. sums retained by billing authority

0

11. sums retained by major precepting authority

0

NON-DOMESTIC RATING INCOME

12. Line 1 plus line 2, minus lines 3 and 6 - 9

87,745,584

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2016-17

Please e-mail to: nndr.statistics@communities.gsi.gov.uk by no later than 31 January 2016.
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All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Local Authority : Merton

Ver 1.31

PART 1B: PAYMENTS

This page is for information only; please do not amend any of the figures

The payments to be made, during the course of 2016-17 to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
- ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
- iii) transferred by the billing authority from its Collection Fund to its General Fund,

are set out below

| | Column 1 Central Government | Column 2 Merton | Column 3 Greater London Authority | Column 4 | Column 5 Total |
|---|-----------------------------------|--------------------|---|----------|-------------------|
| Retained NNDR shares | £ | £ | £ | £ | £ |
| 13. % of non-domestic rating income to be allocated to each authority | 50% | 30% | 20% | 0% | 100% |
| Non-Domestic Rating Income for 2016-17 | | | | | |
| 14. Non-domestic rating income from rates retention scheme | 43,872,792 | 26,323,675 | 17,549,117 | 0 | 87,745,584 |
| 15. (less) qualifying relief in Enterprise Zones | 0 | 0 | 0 | 0 | 0 |
| 16. Not used this year | | | | | |
| 17 TOTAL: | 43,872,792 | 26,323,675 | 17,549,117 | 0 | 87,745,584 |
| Other Income for 2016-17 | | | | | |
| 18. add: cost of collection allowance | | 272,612 | | | 272,612 |
| 19. add: amounts retained in respect of Designated Areas | | 0 | | | 0 |
| 20. add: amounts retained in respect of renewable energy schemes | | 0 | 0 | | 0 |
| 21. add: qualifying relief in Enterprise Zones | | 0 | 0 | 0 | 0 |
| 22. add: City of London Offset | | 0 | | | 0 |
| 23. Not used this year | | | | | |
| Estimated Surplus/Deficit on Collection Fund | £ | £ | £ | £ | £ |
| 24. Estimated Surplus/Deficit at end of 2015-16 | -2,867,945 | -1,720,767 | -1,147,178 | 0 | -5,735,890 |
| TOTAL FOR THE YEAR | £ | £ | £ | £ | £ |
| 25. Total amount due to authorities | 41,004,847 | 24,875,520 | 16,401,939 | 0 | 82,282,306 |

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1

2016-17

Please e-mail to: nndr.statistics@communities.gsi.gov.uk by no later than 31 January 2016.
In addition, a certified copy of the form should be returned by no later than 31 January 2016 to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Local Authority : Merton

Ver 1.31

PART 1C: SECTION 31 GRANT (See Note C)

This page is for information only; please do not amend any of the figures

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013, 2014 & 2015 Autumn Statements

| | Column 2 Merton | Column 3 Greater London Authority | Column 4 | Column 5 Total |
|---|--------------------|---|----------|-------------------|
| 2015-16 Multiplier Cap | £ | £ | £ | £ |
| 26. Cost of 2% cap on 2015-16 small business rates multiplier | 380,714 | 253,810 | 0 | 634,524 |
| Small Business Rate Relief | | | | |
| 27. Cost of temporary doubling SBRR for 2016-17 | 423,064 | 282,043 | 0 | 705,107 |
| 28. Cost to authorities of maintaining relief on "first" property | 8,547 | 5,698 | 0 | 14,245 |
| "New Empty" Property Relief | | | | |
| 29. Cost to authorities of giving relief to newly-built empty property | 0 | 0 | 0 | 0 |
| "Long Term Empty" Property Relief | | | | |
| 30. Relief on occupation of "long-term empty" property | 7,578 | 5,052 | 0 | 12,630 |
| In lieu of Transitional Relief | | | | |
| 31. Payments in lieu of Transitional Relief | 1,913 | 1,275 | 0 | 3,188 |
| TOTAL FOR THE YEAR | £ | £ | £ | £ |
| 32. Amount of Section 31 grant due to authorities to compensate for reliefs | 821,816 | 547,878 | 0 | 1,369,694 |

NB To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 32, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 32)

Certificate of Chief Financial Officer / Section 151 Officer

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

Name of Chief Financial Officer
or Section 151 Officer :

Signature :

Date :

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2016-17

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Ver 1.31

Local Authority : Merton

PART 2: NET RATES PAYABLE

You should complete column 1 only

GROSS RATES PAYABLE

(All data should be entered as +ve unless specified otherwise)

| | Column 1 BA Area (exc. Designated areas) Complete this column | Column 2 Designated areas Do not complete this column | Column 3 TOTAL (All BA Area) Do not complete this column |
|---|---|---|---|
| | £ | £ | £ |
| 1. Rateable Value at <input type="text" value="31/12/2015"/> | <input type="text" value="201,743,435"/> | <input type="text" value="0"/> | <input type="text" value="201,743,435"/> |
| 2. Small business rating multiplier for 2016-17 (pence) <input type="text" value="48.4"/> | | | |
| 3. Gross rates 2016-17 (RV x multiplier) | <input type="text" value="97,643,823"/> | <input type="text" value="0"/> | |
| 4. Estimated growth/decline in gross rates (+ = increase, - = decrease) | <input type="text" value="0"/> | <input type="text" value="0"/> | |
| 5. Forecast gross rates payable in 2016-17 | <input type="text" value="97,643,823"/> | <input type="text" value="0"/> | <input type="text" value="97,643,823"/> |

TRANSITIONAL ARRANGEMENTS (See Note E) - Not applicable in 2016-17

| | | | |
|--|--------------------------------|--------------------------------|--------------------------------|
| 6. Revenue foregone because increases in rates have been deferred (Show as -ve) | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |
| 7. Additional income received because reductions in rates have been deferred (Show as +ve) | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |
| 8. Net cost of transitional arrangements | <input type="text" value="0"/> | <input type="text" value="0"/> | |
| 9. Changes as a result of estimated growth / decline in cost of transitional arrangements (+ = decline, - = increase) | <input type="text" value="0"/> | <input type="text" value="0"/> | |
| 10. Forecast net cost of transitional arrangements | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |

TRANSITIONAL PROTECTION PAYMENTS (See Note F) - Not applicable in 2016-17

| | | | |
|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 11. Sum due to/(from) authority | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |
|---------------------------------|--------------------------------|--------------------------------|--------------------------------|

MANDATORY RELIEFS (See Note G) (All data should be entered as -ve unless specified otherwise)

Small Business Rate Relief

| | | | |
|--|---|--------------------------------|---|
| 12. Forecast of relief to be provided in 2016-17 | <input type="text" value="-2,808,303"/> | <input type="text" value="0"/> | <input type="text" value="-2,808,303"/> |
| 13. of which: relief on existing properties where a 2nd property is occupied | <input type="text" value="-28,083"/> | <input type="text" value="0"/> | <input type="text" value="-28,083"/> |
| 14. Additional yield from the small business supplement (Show as +ve) | <input type="text" value="2,255,247"/> | <input type="text" value="0"/> | <input type="text" value="2,255,247"/> |
| 15. Net cost of small business rate relief (line 12 + line 14) | <input type="text" value="-553,056"/> | <input type="text" value="0"/> | <input type="text" value="-553,056"/> |

Charitable occupation

| | | | |
|--|---|--------------------------------|---|
| 16. Forecast of relief to be provided in 2016-17 | <input type="text" value="-5,156,574"/> | <input type="text" value="0"/> | <input type="text" value="-5,156,574"/> |
|--|---|--------------------------------|---|

Community Amateur Sports Clubs (CASCs)

| | | | |
|--|---------------------------------------|--------------------------------|---------------------------------------|
| 17. Forecast of relief to be provided in 2016-17 | <input type="text" value="-108,485"/> | <input type="text" value="0"/> | <input type="text" value="-108,485"/> |
|--|---------------------------------------|--------------------------------|---------------------------------------|

Rural rate relief

| | | | |
|--|--------------------------------|--------------------------------|--------------------------------|
| 18. Forecast of relief to be provided in 2016-17 | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |
|--|--------------------------------|--------------------------------|--------------------------------|

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2016-17

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Ver 1.31

Local Authority : Merton

PART 2: NET RATES PAYABLE

You should complete column 1 only

| You should complete column 1 only | Column 1 BA Area (exc. Designated areas) | Column 2 Designated areas | Column 3 TOTAL (All BA Area) |
|--|--|---------------------------------|------------------------------------|
| 19. Forecast of mandatory reliefs to be provided in 2016-17 (Sum of lines 15 to 18) | -5,818,115 | 0 | |
| 20. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase) | -40,727 | 0 | |
| 21. Total forecast mandatory reliefs to be provided in 2016-17 | -5,858,842 | 0 | -5,858,842 |

UNOCCUPIED PROPERTY (See Note H) (All data should be entered as -ve unless specified otherwise)

Partially occupied hereditaments

| | | | |
|--|---------|---|---------|
| 22. Forecast of 'relief' to be provided in 2016-17 | -65,000 | 0 | -65,000 |
|--|---------|---|---------|

Empty premises

| | | | |
|--|----------|---|----------|
| 23. Forecast of 'relief' to be provided in 2016-17 | -769,270 | 0 | -769,270 |
|--|----------|---|----------|

| | | | |
|---|------------|---|------------|
| 24. Forecast of unoccupied property 'relief' to be provided in 2016-17 (Line 22 + line 23) | -834,270 | 0 | |
| 25. Changes as a result of estimated growth/decline in unoccupied property 'relief' (+ = decline, - = increase) | -628,175 | 0 | |
| 26. Total forecast unoccupied property 'relief' to be provided in 2016-17 | -1,462,445 | 0 | -1,462,445 |

DISCRETIONARY RELIEFS (See Note J) (All data should be entered as -ve unless specified otherwise)

Charitable occupation

| | | | |
|--|----------|---|----------|
| 27. Forecast of relief to be provided in 2016-17 | -402,645 | 0 | -402,645 |
|--|----------|---|----------|

Non-profit making bodies

| | | | |
|--|----------|---|----------|
| 28. Forecast of relief to be provided in 2016-17 | -114,169 | 0 | -114,169 |
|--|----------|---|----------|

Community Amateur Sports Clubs (CASCs)

| | | | |
|--|------|---|------|
| 29. Forecast of relief to be provided in 2016-17 | -194 | 0 | -194 |
|--|------|---|------|

Rural shops etc

| | | | |
|--|---|---|---|
| 30. Forecast of relief to be provided in 2016-17 | 0 | 0 | 0 |
|--|---|---|---|

Small rural businesses

| | | | |
|--|---|---|---|
| 31. Forecast of relief to be provided in 2016-17 | 0 | 0 | 0 |
|--|---|---|---|

Other ratepayers

| | | | |
|--|----------|---|----------|
| 32. Forecast of relief to be provided in 2016-17 | -200,000 | 0 | -200,000 |
|--|----------|---|----------|

of which:

of which:

| | | |
|--|---|---|
| 33. Relief given to Case A hereditaments | 0 | 0 |
| 34. Relief given to Case B hereditaments | 0 | 0 |

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2016-17

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

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Local Authority : Merton

PART 2: NET RATES PAYABLE

You should complete column 1 only

Column 1
BA Area (exc.
Designated areas)

Column 2
Designated
areas

Column 3
TOTAL
(All BA Area)

35. Forecast of discretionary relief to be provided in 2016-17 (Sum of lines 27 to 32)

-717,008

0

36. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)

-35,850

0

37. Total forecast discretionary relief to be provided in 2016-17

-752,858

0

-752,858

DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT
(See Note K) (All data should be entered as -ve unless specified otherwise)
"New Empty" properties

38. Forecast of relief to be provided in 2016-17

0

0

0

"Long term empty" properties

39. Forecast of relief to be provided in 2016-17

-24,900

0

-24,900

In lieu of Transitional Relief

40. Payments to ratepayers in lieu of Transitional Relief in 2016-17

-6,286

0

-6,286

41. Forecast of discretionary reliefs funded through S31 grant to be provided in 2016-17 (Sum of lines 38 to 39)

-31,186

0

42. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)

0

0

43. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2016-17

-31,186

0

-31,186

NET RATES PAYABLE

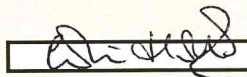
44. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs

£ 89,538,492

£ 0

£ 89,538,492

Checked by Chief Financial / Section 151 Officer :



-1250000
2016-17

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Ver 1.31

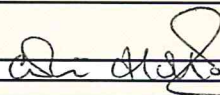
Local Authority : Merton

PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS

You should complete column 1 only

| | Column 1 | Designated areas | | | Column 5 |
|--|---|-----------------------------|-----------------------------|-----------------------------|--|
| | | Column 2 | Column 3 | Column 4 | |
| | BA Area (exc. Designated areas) Complete this column | Do not complete this column | Do not complete this column | Do not complete this column | TOTAL (All BA Area) Do not complete this column |
| | £ | £ | £ | | £ |
| NET RATES PAYABLE | | | | | |
| 1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs | 89,538,492 | 0 | 0 | 0 | 89,538,492 |
| (LESS) LOSSES | | | | | |
| 2. Estimated bad debts in respect of 2016-17 rates payable | -1,250,000 | 0 | 0 | 0 | -1,250,000 |
| 3. Estimated repayments in respect of 2016-17 rates payable | -270,296 | 0 | 0 | 0 | -270,296 |
| COLLECTABLE RATES | | | | | |
| 4. Net Rates payable less losses | 88,018,196 | 0 | 0 | 0 | 88,018,196 |
| DISREGARDED AMOUNTS | | | | | |
| 5. Renewable Energy | 0 | 0 | 0 | 0 | 0 |
| 6. Transitional Protection Payment | | 0 | 0 | 0 | |
| 7. Baseline | | 0 | 0 | 0 | |
| DISREGARDED AMOUNTS | | | | | |
| 8. Total Disregarded Amounts | | 0 | 0 | 0 | Total Designated Areas 0 |

Checked by Chief Financial / Section 151 Officer :



PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1

2016-17

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Ver 1.31

Local Authority : Merton

PART 4: ESTIMATED COLLECTION FUND BALANCE

OPENING BALANCE

1. Opening Balance (From Collection Fund Statement)

£

£

-6,205,401

BUSINESS RATES CREDITS AND CHARGES

2. Business rates credited and charged to the Collection Fund in 2015-16

86,061,908

3. Sums written off in excess of the allowance for non-collection

0

4. Changes to the allowance for non-collection

-408,877

5. Amounts charged against the provision for appeals following RV list changes

3,589,000

6. Changes to the provision for appeals

-6,022,000

7. Total business rates credits and charges (Total lines 2 to 6)

83,220,031

OTHER RATES RETENTION SCHEME CREDITS

8. Transitional protection payments received, or to be received in 2015-16

452,217

9. Transfers/payments to the Collection Fund for end-year reconciliations

0

10. Transfers/payments into the Collection Fund in 2015-16 in respect of a previous year's deficit

1,309,337

11. Total Other Credits (Total lines 8 to 10)

1,761,554

OTHER RATES RETENTION SCHEME CHARGES

12. Transitional protection payments made, or to be made, in 2015-16

-134,524

13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2015-16

-41,894,896

14. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2015-16

-16,757,995

15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2015-16

-25,452,047

16. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2015-16

-272,612

17. Transfers/payments from the Collection Fund for end-year reconciliations

0

18. Transfers/payments made from the Collection Fund in 2015-16 in respect of a previous year's surplus

0

19. Total Other Charges (Total lines 12 to 18)

-84,512,074

20. Adjustment for 5-Year Spread

0

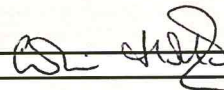
ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2015-16

21. Opening balance plus total credits, less total charges, plus adjustment for 5-year spread (Total lines 1, 7, 11, 19 & 20)

£

-5,735,890

Checked by Chief Financial / Section 151 Officer :



OTHER CORPORATE ITEMS COUNCIL MARCH 2016 UPDATE

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|--|-----------------|-----------------|-----------------|-----------------|
| Recharge to Education of Past Service | | | | |
| Deficiency/Redundancy | (463) | (463) | (463) | (463) |
| Autoenrollment | 300 | 300 | 300 | 300 |
| Corporate expenditure (utilities inflation) | 300 | 300 | 300 | 300 |
| Changes in Corporate Specific and Special Grants | 204 | 206 | 209 | 209 |
| Loss of HB Admin. Grant | 200 | 200 | 200 | 200 |
| CHAS IP fee and dividend income | (1,152) | (1,152) | (1,152) | (1,152) |
| Bad Debt provision | 500 | 500 | 500 | 500 |
| Contingency | 1,500 | 1,500 | 1,500 | 1,500 |
| Additional Revenuisation & miscellaneous | 1,264 | 264 | 264 | 264 |
| WPCC Levy | 300 | 300 | 300 | 300 |
| Depreciation/Impairment | (17,637) | (17,637) | (17,637) | (17,637) |
| Transport | 0 | 0 | 0 | 0 |
| Redundancy/Pension Strain | 1,000 | 1,000 | 1,000 | 1,000 |
| Overheads Charge to Non-GF | 224 | 224 | 224 | 224 |
| Local Election 2018 | 0 | 0 | 350 | 0 |
| Apprenticeship Levy | 0 | 450 | 450 | 450 |
| Merton Adult Education - Year 1 contribution | 600 | 0 | 0 | 0 |
| P3/P4 | 400 | 400 | 400 | 400 |
| Provision for Excess Inflation > 1.5% | 540 | 536 | 536 | 536 |
| Other Corporate items | (11,920) | (13,072) | (12,719) | (13,069) |

BUDGET TRANSITION FROM MARCH 2015

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|---|-----------------|-----------------|-----------------|-----------------|
| Balanced Budget in 2015/16 | - | - | - | - |
| Pay Inflation | 883 | 1,767 | 2,650 | 3,534 |
| Price Inflation | 741 | 2,964 | 5,187 | 7,410 |
| Inflation > 1.5% | 16 | 12 | 12 | 12 |
| Concessionary Fares, Taxicards | 212 | 662 | 1,113 | 1,563 |
| FYE of previous years savings | (15,687) | (20,861) | (22,009) | (22,009) |
| FYE of Replacement savings | 1,504 | 1,106 | - | - |
| ANPR | 1,300 | 1,300 | 1,300 | 1,300 |
| National Insurance changes | 1,458 | 1,458 | 1,458 | 1,458 |
| PFI Affordability | 448 | 448 | 448 | 448 |
| Changes in Specific & Special Grants | 351 | 353 | 356 | 356 |
| New Savings | (200) | (4,057) | (7,547) | (7,547) |
| Overheads | 261 | 261 | 261 | 261 |
| Treasury related income & expenditure | (2,454) | (2,987) | (3,158) | (2,267) |
| CHAS IP | (978) | (978) | (978) | (978) |
| Corporate expenditure (utilities inflation) | 200 | 200 | 200 | 200 |
| Pensions deficit and Lump Sum | 190 | 387 | 594 | 810 |
| Local election | - | - | 350 | - |
| Merton Adult Education - First Year Redundancies | 600 | - | - | - |
| Revenuisation | 1,000 | - | - | - |
| Loss of HB Admin. Grant | 200 | 200 | 200 | 200 |
| Apprenticeship Levy | - | 450 | 450 | 450 |
| Other | (174) | 729 | 1,111 | 1,187 |
| Levies | (5) | (5) | (5) | (5) |
| Appropriations | 2,708 | 808 | (3,896) | (8,793) |
| RSG - Total | 7,269 | 14,905 | 20,354 | 25,349 |
| Business Rates | (232) | (27) | (733) | (1,475) |
| New Homes Bonus | (1,550) | (2,121) | (351) | (229) |
| Council Tax income | (1,862) | (2,255) | (2,650) | (3,047) |
| Council Tax Freeze Grant | 861 | 861 | 861 | 861 |
| Collection Fund t/f of surplus/deficit - Council Tax | 1,613 | 4,813 | 4,813 | 4,813 |
| Collection Fund t/f of surplus/deficit - Business Rates | 1,328 | (393) | (393) | (393) |
| Rounding | 1 | 1 | 2 | - |
| COUNCIL 2 March 2016 | 0 | 0 | 0 | 3,469 |

STATEMENT OF COUNCIL TAX REQUIREMENTS AND BALANCES

| | ORIGINAL BUDGET 2010/11 £m | ORIGINAL BUDGET 2011/12 £m | ORIGINAL BUDGET 2012/13 £m | ORIGINAL BUDGET 2013/14 £m | ORIGINAL BUDGET 2014/15 £m | ORIGINAL BUDGET 2015/16 £m | ORIGINAL BUDGET 2016/17 £m | 2010/11 Band D Council Tax Equivalent £ | 2011/12 Band D Council Tax Equivalent £ | 2012/13 Band D Council Tax Equivalent £ | 2013/14 Band D Council Tax Equivalent £ | 2014/15 Band D Council Tax Equivalent £ | 2015/16 Band D Council Tax Equivalent £ | 2016/17 Band D Council Tax £ |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|---|---|---|---|---|--|
| <u>Merton</u> | | | | | | | | | | | | | | |
| Net Cost of General Fund Services | 148.599 | 148.193 | 145.820 | 153.491 | 151.258 | 149.062 | 134.496 | 2,001.34 | 1,989.55 | 1,949.04 | 2,291.55 | 2,221.53 | 2,140.53 | 1,885.63 |
| Contingency | 2.900 | 1.820 | 2.000 | 1.500 | 1.500 | 1.500 | 1.500 | 39.06 | 24.43 | 26.73 | 22.39 | 22.03 | 21.54 | 21.03 |
| | 151.499 | 150.013 | 147.820 | 154.991 | 152.758 | 150.562 | 135.996 | 2,040.39 | 2,013.98 | 1,975.77 | 2,313.95 | 2,243.56 | 2,162.07 | 1,906.66 |
| <u>Levies</u> | | | | | | | | | | | | | | |
| Lee Valley | 0.227 | 0.220 | 0.215 | 0.220 | 0.214 | 0.209 | 0.204 | 3.06 | 2.95 | 2.87 | 3.28 | 3.14 | 3.00 | 2.86 |
| London Pensions Fund | 0.283 | 0.254 | 0.253 | 0.268 | 0.266 | 0.264 | 0.262 | 3.81 | 3.41 | 3.38 | 4.00 | 3.91 | 3.79 | 3.67 |
| Environment Agency | 0.148 | 0.146 | 0.146 | 0.157 | 0.157 | 0.159 | 0.162 | 1.99 | 1.96 | 1.95 | 2.34 | 2.31 | 2.28 | 2.27 |
| Total Levies | 0.658 | 0.620 | 0.614 | 0.645 | 0.637 | 0.632 | 0.628 | 8.86 | 8.32 | 8.21 | 9.63 | 9.36 | 9.08 | 8.80 |
| TOTAL BUDGET (before balances, etc adjustment) | 152.157 | 150.633 | 148.434 | 155.636 | 153.395 | 151.194 | 136.624 | 2,049.25 | 2,022.31 | 1,983.98 | 2,323.58 | 2,252.91 | 2,171.14 | 1,915.46 |
| <u>Provisions, Contributions and Balances</u> | | | | | | | | | | | | | | |
| Appropriations to/from Reserves | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | (4.771) | 1.683 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -68.51 | 23.60 |
| TOTAL BUDGET REQUIREMENT | 152.157 | 150.633 | 148.434 | 155.636 | 153.395 | 146.423 | 138.307 | 2,049.25 | 2,022.31 | 1,983.98 | 2,323.58 | 2,252.91 | 2,102.63 | 1,939.06 |
| <u>Less: Central Government Support</u> | | | | | | | | | | | | | | |
| Government (Formula) Grant: | | | | | | | | | | | | | | |
| Revenue Support Grant (including Transition Grant) | (8.588) | (15.730) | (1.180) | (47.221) | (39.738) | (30.425) | (23.156) | -115.66 | -211.17 | -15.77 | -704.99 | -583.63 | -436.90 | -324.65 |
| National Non-Domestic Rates inc. Section 31 Grant | (59.145) | (50.888) | (60.841) | (32.020) | (34.371) | (34.820) | (35.052) | -796.56 | -683.19 | -813.21 | -478.04 | -504.81 | -500.01 | -491.43 |
| Total Revenue Support Grant + Baseline NNDR Funding: | (67.733) | (66.617) | (62.021) | (79.241) | (74.109) | (65.245) | (58.208) | -912.23 | -894.36 | -828.98 | -1,183.03 | -1,088.44 | -936.92 | -816.07 |
| Contribution to/(from) Collection Fund | (2.519) | (1.859) | (3.891) | (2.545) | (4.236) | (4.420) | (1.479) | -33.93 | -24.96 | -52.01 | -38.00 | -62.21 | -63.47 | -20.74 |
| Council Tax Requirement | | | | | | | | | | | | | | |
| Merton - General (excluding WPC) | 81.905 | 82.157 | 82.522 | 73.850 | 75.049 | 76.758 | 78.620 | 1,103.10 | 1,102.99 | 1,102.99 | 1,102.55 | 1,102.25 | 1,102.25 | 1,102.25 |
| Merton - COUNCIL TAX FUNDING REQUIREMENT | 81.905 | 82.157 | 82.522 | 73.850 | 75.049 | 76.758 | 78.620 | 1,103.10 | 1,102.99 | 1,102.99 | 1,102.55 | 1,102.25 | 1,102.25 | 1,102.25 |
| <u>Greater London Authority Precept</u> | | | | | | | | | | | | | | |
| Metropolitan Police Authority | 16.657 | 16.979 | 17.467 | 14.753 | 14.903 | 14.939 | 14.750 | 224.34 | 227.95 | 233.46 | 220.25 | 218.88 | 214.52 | 206.79 |
| Other Non-Police Services | 6.347 | 6.098 | 5.481 | 5.543 | 5.367 | 5.391 | 4.636 | 85.48 | 81.87 | 73.26 | 82.75 | 80.12 | 80.48 | 69.21 |
| Greater London Authority Precept | 23.004 | 23.077 | 22.948 | 20.295 | 20.270 | 20.329 | 19.385 | 309.82 | 309.82 | 306.72 | 303.00 | 299.00 | 295.00 | 276.00 |
| TOTAL COUNCIL TAX REQUIREMENT | 104.909 | 105.234 | 105.469 | 94.145 | 95.319 | 97.088 | 98.005 | 1,412.92 | 1,412.81 | 1,409.71 | 1,405.55 | 1,401.25 | 1,397.25 | 1,378.25 |

| DRAFT MTFS 2016-20: | | | | |
|--|------------------|------------------|------------------|------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| | £000 | £000 | £000 | £000 |
| Departmental Base Budget 2015/16 | 150,913 | 150,913 | 150,913 | 150,913 |
| Inflation (Pay, Prices) | 1,624 | 4,731 | 7,837 | 10,944 |
| Autoenrolment/Nat. ins changes | 1,480 | 2,315 | 2,630 | 2,630 |
| FYE – Previous Years Savings | (15,686) | (20,861) | (22,009) | (22,009) |
| Amendments to previously agreed savings | 1,504 | 1,106 | 0 | 0 |
| Transport from corporate provision | 1,192 | 1,192 | 1,192 | 1,192 |
| Change in Net Appropriations to/(from) Reserves | (2,817) | (5,398) | (5,884) | (5,595) |
| Revenuisation | 20 | 30 | 27 | 27 |
| Taxi card/Concessionary Fares | 212 | 662 | 1,112 | 1,562 |
| Change in depreciation/Impairment (Contra Other Corporate items) | 1,132 | 1,132 | 1,132 | 1,132 |
| Other | 1,821 | 1,891 | 1,964 | 2,040 |
| Re-Priced Departmental Budget | 141,395 | 137,713 | 138,914 | 142,835 |
| Treasury/Capital financing | 12,905 | 12,370 | 12,200 | 13,091 |
| Pensions | 4,395 | 4,592 | 4,799 | 5,015 |
| Other Corporate items | (11,920) | (13,072) | (12,719) | (13,069) |
| Levies | 628 | 628 | 628 | 628 |
| Sub-total: Corporate provisions | 6,008 | 4,518 | 4,908 | 5,665 |
| Sub-total: Repriced Departmental Budget + | 147,403 | 142,231 | 143,822 | 148,500 |
| Savings/Income Proposals 2016/17 | (200) | (4,057) | (7,547) | (7,547) |
| Sub-total | 147,203 | 138,174 | 136,275 | 140,953 |
| Appropriation to/from departmental reserves | (2,000) | (719) | (233) | (522) |
| Appropriation to/from Balancing the Budget Reserve | 2,394 | 1,785 | (2,919) | (7,818) |
| BUDGET REQUIREMENT | 147,597 | 139,240 | 133,123 | 132,614 |
| Funded by: | | | | |
| Revenue Support Grant | (23,156) | (15,520) | (10,071) | (5,076) |
| Business Rates (inc. Section 31 grant) | (35,052) | (34,847) | (35,553) | (36,295) |
| C. Tax Freeze Grant 2015/16 | 0 | 0 | 0 | 0 |
| PFI Grant | (4,797) | (4,797) | (4,797) | (4,797) |
| New Homes Bonus | (4,192) | (4,763) | (2,993) | (2,871) |
| Council Tax inc. WPCC | (78,920) | (79,313) | (79,708) | (80,105) |
| Collection Fund – (Surplus)/Deficit | (1,479) | 0 | 0 | 0 |
| TOTAL FUNDING | (147,597) | (139,240) | (133,123) | (129,145) |
| GAP including Use of Reserves (Cumulative) | 0 | 0 | 0 | 3,469 |

Reserves

| Forecast Movement in Reserves 2016/17 | Actual Bal at 31/3/15 £'000 | Net Movt. in year £'000 | Bal. at 31/3/16 £'000 | Net Movt. in year £'000 | Bal. at 31/3/17 £'000 | Net Movt. in year £'000 | Bal. at 31/3/18 £'000 | Net Movt. in year £'000 | Bal. at 31/3/19 £'000 | Net Movt. in year £'000 | Bal. at 31/3/20 £'000 |
|---|-----------------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| General Fund Reserve | 15,151 | (2,605) | 12,546 | 0 | 12,546 | 0 | 12,546 | 0 | 12,546 | 0 | 12,546 |
| Earmarked Reserves | 30,198 | (3,565) | 26,632 | (3,079) | 23,554 | (4,060) | 19,494 | (4,869) | 14,625 | (8,081) | 6,544 |
| Grants & Contributions | 3,335 | (2,377) | 958 | (566) | 392 | (40) | 352 | (19) | 333 | (19) | 314 |
| Total Available Gen. Fund Rev. Reser | 48,683 | (8,547) | 40,136 | (3,645) | 36,492 | (4,100) | 32,392 | (4,888) | 27,504 | (8,100) | 19,404 |
| | | | | | | | | | | | |
| Fixed to Contracts | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 |
| | | | | | | | | | | | |
| Total General Fund revenue reserves | 50,637 | (8,547) | 42,090 | (3,645) | 38,446 | (4,100) | 34,346 | (4,888) | 29,458 | (8,100) | 21,358 |
| | | | | | | | | | | | |
| Schools Balances & Reserves | 17,395 | 258 | 17,652 | (724) | 16,928 | (546) | 16,382 | (714) | 15,668 | (891) | 14,777 |
| Capital Reserves | | | | | | | | | | | |
| Capital Grants | 5,409 | (4,131) | 1,278 | (1,038) | 240 | (240) | 0 | 0 | 0 | 0 | 0 |
| Capital Contributions | 185 | (48) | 137 | (40) | 97 | (37) | 60 | 0 | 60 | 0 | 60 |
| Capital Receipts | 31,263 | (8,530) | 22,733 | (20,899) | 1,834 | (1,834) | 0 | 0 | 0 | 0 | 0 |
| Total | 36,857 | (12,709) | 24,148 | (21,977) | 2,171 | (2,111) | 60 | 0 | 60 | 0 | 60 |
| | | | | | | | | | | | |
| Revenue Reserves | 68,032 | (8,289) | 59,743 | (4,369) | 55,374 | (4,646) | 50,728 | (5,602) | 45,126 | (8,991) | 36,135 |
| Capital Reserves | 36,857 | (12,709) | 24,148 | (21,977) | 2,171 | (2,111) | 60 | 0 | 60 | 0 | 60 |
| Overall Useable Reserves | 104,889 | (20,998) | 83,891 | (26,346) | 57,545 | (6,757) | 50,788 | (5,602) | 45,186 | (8,991) | 36,195 |

| Analysis | Actual Bal at 31/3/15 £'000 | Net Movt. in year £'000 | Bal. at 31/3/16 £'000 | Net Movt. in year £'000 | Bal. at 31/3/17 £'000 | Net Movt. in year £'000 | Bal. at 31/3/18 £'000 | Net Movt. in year £'000 | Bal. at 31/3/19 £'000 | Net Movt. in year £'000 | Bal. at 31/3/20 £'000 |
|---------------------------------------|-----------------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| Earmarked Reserves | | | | | | | | | | | |
| Outstanding Council Programme Board | 9,515 | (3,987) | 5,528 | (3,250) | 2,278 | (234) | 2,044 | (11) | 2,033 | 0 | 2,033 |
| For use in future years for budget | 5,752 | 806 | 6,558 | 2,394 | 8,952 | 1,785 | 10,737 | (2,919) | 7,818 | (7,818) | 0 |
| Revenue Reserves for Capital / Revn. | 6,062 | 1,313 | 7,375 | (571) | 6,804 | (4,582) | 2,222 | (1,105) | 1,117 | 0 | 1,117 |
| Energy renewable reserve | 1,441 | 0 | 1,441 | (1,141) | 300 | 0 | 300 | 0 | 300 | 0 | 300 |
| Repairs & Renewal Fund | 1,424 | (200) | 1,224 | (500) | 724 | (500) | 224 | (224) | 0 | 0 | 0 |
| Transforming families reserve | 414 | (298) | 116 | (116) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pension Fund additional contribution | 63 | 0 | 63 | 0 | 63 | 0 | 63 | 0 | 63 | 0 | 63 |
| Local Land Charges Reserve | 1,419 | 113 | 1,532 | 0 | 1,532 | 0 | 1,532 | 0 | 1,532 | 0 | 1,532 |
| Apprenticeships | 648 | (347) | 301 | (210) | 91 | (91) | (0) | 0 | (0) | 0 | (0) |
| Community Care Reserve | 1,385 | (250) | 1,135 | (250) | 885 | (250) | 635 | (250) | 385 | (250) | 135 |
| Local Welfare Support Reserve | 614 | (100) | 514 | (200) | 314 | (200) | 114 | (195) | (81) | 0 | (81) |
| Economic Development Strategy | 1,148 | (609) | 539 | (539) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wimbledon Tennis Courts Renewal | 77 | 25 | 102 | 25 | 127 | 25 | 152 | (152) | (0) | 0 | (0) |
| Governor Support Reserve | 52 | (44) | 8 | (8) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Corporate Services Reserves | 183 | 13 | 196 | (13) | 183 | (13) | 170 | (13) | 157 | (13) | 144 |
| Savings Mitigation Fund | 0 | 0 | 0 | 1,300 | 1,300 | 0 | 1,300 | 0 | 1,300 | 0 | 1,300 |
| Earmarked Reserves | 30,198 | (3,565) | 26,632 | (3,079) | 23,554 | (4,060) | 19,494 | (4,869) | 14,625 | (8,081) | 6,544 |
| Adult Social care contributions | 425 | (375) | 50 | (50) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Culture and Environment contributions | 447 | (243) | 204 | (156) | 48 | 0 | 48 | 0 | 48 | 0 | 48 |
| Culture and Environment grant | 363 | (36) | 327 | (110) | 217 | (19) | 198 | (19) | 179 | (19) | 160 |
| Childrens & Education grant | 650 | (584) | 66 | (66) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Housing Planning Development grant | 189 | (84) | 105 | (84) | 21 | (21) | 0 | 0 | 0 | 0 | 0 |
| Housing GF grants | 106 | 0 | 106 | 0 | 106 | 0 | 106 | 0 | 106 | 0 | 106 |
| Public Health | 1,154 | (1,054) | 100 | (100) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants & Contributions | 3,335 | (2,377) | 958 | (566) | 392 | (40) | 352 | (19) | 333 | (19) | 314 |
| Total | 33,533 | (5,942) | 27,591 | (3,645) | 23,946 | 0 | 23,946 | 0 | 23,946 | 0 | 23,946 |
| Insurance Reserve | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 |
| Fixed to Contracts | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 | 0 | 1,954 |
| DSG Reserve | 3,585 | 297 | 3,882 | (950) | 2,932 | (500) | 2,432 | (500) | 1,932 | (389) | 1,543 |
| Refund of School PFI contributions | 400 | (300) | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 100 |
| Schools Reserve | 52 | (52) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Schools own reserves | 8,992 | 78 | 9,071 | 0 | 9,071 | 0 | 9,071 | 0 | 9,071 | 0 | 9,071 |
| Schools PFI Fund | 4,366 | 235 | 4,600 | 226 | 4,826 | (46) | 4,780 | (214) | 4,566 | (502) | 4,064 |
| Schools Reserves | 17,395 | 258 | 17,652 | (724) | 16,928 | (546) | 16,382 | (714) | 15,668 | (891) | 14,777 |

Draft Departmental Budget Summaries 2016-17

| SUMMARY | | | | |
|--|-------|------------------|------------------|------------------|
| FULL TIME EQUIVALENTS | | 2015/16 | | 2016/17 |
| Total FTE Staff | | 2,246.0 | | 2,113.0 |
| SERVICE AREA ANALYSIS | | 2015/16 | Other | 2016/17 |
| | | Estimate | Inflation | Estimate |
| | | £000 | £000 | £000 |
| Corporate Services | | 14,025 | 74 | 11,359 |
| Education Services |] CSF | 50,894 | 293 | 50,183 |
| Children's Services | | | | |
| Environment and Regeneration | | 23,985 | 125 | 21,230 |
| Adult Social Care |] C&H | 61,400 | 243 | 56,218 |
| Cultural Services | | | | |
| Housing General Fund | | | | |
| Single Status | | 100 | 0 | 100 |
| Pay Award | | 189 | 0 | 883 |
| TOTAL NET SERVICE EXPENDITURE | | 150,593 | 735 | 139,972 |
| <i>Corporate Provisions/Appropriations</i> | | 4,423 | 0 | 7,625 |
| NET EXPENDITURE | | 155,016 | 735 | 147,597 |
| Funded by: | | | | |
| Revenue Support Grant | | (30,425) | 0 | (23,156) |
| Business Rates | | (34,820) | 0 | (35,052) |
| New Homes Bonus | | (2,642) | 0 | (4,192) |
| Council Tax | | (76,758) | 0 | (78,620) |
| Council Tax Freeze Grant 2015/16 | | (861) | 0 | 861 |
| Council Tax Freeze Grant 2014/15 | | 0 | 0 | 0 |
| WPCC Levy | | (293) | 0 | (300) |
| Collection Fund | | (4,420) | 0 | (1,479) |
| PFI Grant | | (4,797) | 0 | (4,797) |
| | | (155,016) | 0 | (147,597) |
| NET | | 0 | 735 | (735) |
| Public Health | | 320 | 0 | 96 |
| Appropriations to/from reserves | | (320) | | (96) |
| Net Public Health | | 0 | 0 | 0 |
| Other Variations: Contingency/Other | | | | |
| Major Items: Corporate Provisions | | £000 | fte | |
| Corporate borrowing and Investment | | (654) | 0.0 | |
| Further provision for revaluation/RCCO | | (805) | 0.0 | |
| Pension Fund and Auto-enrolment | | 190 | 0.0 | |
| Contingency and centrally held provisions | | 197 | 0.0 | |
| Change in Grants | | 134 | 0.0 | |
| Appropriation to/from Reserves | | 6,684 | 0.0 | |
| Depreciation and impairment | | (1,132) | 0.0 | |
| CHAS - IP | | (978) | 0.0 | |
| Overheads - Charge to non-general fund | | (44) | 0.0 | |
| Transport - Additional provision | | (1,192) | 0.0 | |
| Merton Adult Education | | 600 | 0.0 | |
| Loss of HB Admin. Grant | | 200 | 0.0 | |
| Levies | | 2 | 0.0 | |
| TOTAL | | 3,202 | 0 | |

SUMMARY - SUBJECTIVE ANALYSIS**FULL TIME EQUIVALENTS**

Total FTE Staff

| 2015/16 | 2016/17 |
|---------|---------|
| 2,246.0 | 2,113.0 |

SUBJECTIVE ANALYSIS OF ESTIMATES**Expenditure**

| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|------------------------------------|-----------------------------|-------------------|-----------------------------|-----------------------------|
| Employees | 95,328 | 23 | (3,827) | 91,524 |
| Premises | 8,196 | 45 | 135 | 8,376 |
| Transport | 13,598 | 34 | 937 | 14,569 |
| Supplies and Services | 186,924 | 260 | (22,810) | 164,375 |
| Third Party Payments | 85,029 | 372 | (4,000) | 81,401 |
| Transfer Payments | 103,934 | 1 | 177 | 104,112 |
| Support Services | 30,127 | 0 | 251 | 30,378 |
| Depreciation and Impairment Losses | 16,506 | 0 | 1,132 | 17,637 |

GROSS EXPENDITURE

| | | | |
|----------------|------------|-----------------|----------------|
| 539,643 | 735 | (28,005) | 512,373 |
|----------------|------------|-----------------|----------------|

Income

| | | | | |
|--|-----------|---|---------|-----------|
| Government Grants | (274,532) | 0 | 17,984 | (256,548) |
| Other Reimbursements and Contributions | (25,190) | 0 | 1,436 | (23,754) |
| Customer and Client Receipts | (58,363) | 0 | (2,525) | (60,888) |
| Interest | (44) | 0 | (2) | (46) |
| Recharges | (30,944) | 0 | 17 | (30,927) |
| Reserves | 24 | 0 | (262) | (238) |

GROSS INCOME

| | | | |
|------------------|----------|---------------|------------------|
| (389,049) | 0 | 16,648 | (372,401) |
|------------------|----------|---------------|------------------|

NET EXPENDITURE

| | | | |
|----------------|------------|-----------------|----------------|
| 150,593 | 735 | (11,356) | 139,972 |
|----------------|------------|-----------------|----------------|

| | | | | |
|----------------------|-------|---|-------|-------|
| Corporate Provisions | 4,423 | 0 | 3,202 | 7,624 |
|----------------------|-------|---|-------|-------|

NET EXPENDITURE

| | | | |
|----------------|------------|----------------|----------------|
| 155,016 | 735 | (8,155) | 147,596 |
|----------------|------------|----------------|----------------|

Funded by:

| | | | | |
|----------------------------------|----------|---|---------|----------|
| Revenue Support Grant | (30,425) | 0 | 7,269 | (23,156) |
| Business Rates | (34,820) | 0 | (232) | (35,052) |
| New Homes Bonus | (2,642) | 0 | (1,550) | (4,192) |
| Council Tax | (76,758) | 0 | (1,862) | (78,620) |
| Council Tax Freeze Grant 2015/16 | (861) | 0 | 861 | 0 |
| Council Tax Freeze Grant 2014/15 | 0 | 0 | 0 | 0 |
| WPCC Levy | (293) | 0 | (7) | (300) |
| Collection Fund | (4,420) | 0 | 2,941 | (1,479) |
| PFI Grant | (4,797) | 0 | 0 | (4,797) |

| | | | |
|------------------|----------|--------------|------------------|
| (155,016) | 0 | 7,419 | (147,597) |
|------------------|----------|--------------|------------------|

NET

| | | | |
|----------|------------|--------------|----------|
| 0 | 735 | (735) | 0 |
|----------|------------|--------------|----------|

Other Variations: Contingency/Other

| Major Items: Corporate Provisions | £000 | fte |
|---|--------------|----------|
| Corporate borrowing and Investment | (654) | 0.0 |
| Further provision for revenueisation/RCCO | (805) | 0.0 |
| Pension Fund and Auto-enrolment | 190 | 0.0 |
| Contingency and centrally held provisions | 197 | 0.0 |
| Change in Grants | 134 | 0.0 |
| Appropriation to/from Reserves | 6,684 | 0.0 |
| Depreciation and impairment | (1,132) | 0.0 |
| CHAS - IP | (978) | 0.0 |
| Overheads - Charge to non-general fund | (44) | 0.0 |
| Transport - Additional provision | (1,192) | 0.0 |
| Merton Adult Education | 600 | 0.0 |
| Loss of HB Admin. Grant | 200 | 0.0 |
| Levies | 2 | 0.0 |
| TOTAL | 3,202 | 0 |

| CORPORATE ITEMS ANALYSIS | | | | |
|---|-----------------------------|-------------------|-----------------------------|-----------------------------|
| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
| Expenditure | | | | |
| Cost of Borrowing including Minimum Revenue Provision | 14,117 | 0 | (474) | 13,643 |
| Further provision for revaluisation/RCCO | 1,939 | 0 | (805) | 1,134 |
| Pension Fund | 3,742 | 0 | 190 | 3,932 |
| Pensions: Auto-enrolment | 300 | 0 | 0 | 300 |
| Centrally held provision for Utilities inflation | 100 | 0 | 200 | 300 |
| Adjustment re Income re P3/P4 | 400 | 0 | 0 | 400 |
| Overheads - Charge to non-general fund | 194 | 0 | (44) | 150 |
| Provision for excess inflation | 543 | 0 | (3) | 540 |
| Bad Debt Provision | 500 | 0 | 0 | 500 |
| Redundancy/Pension Strain | 1,000 | 0 | 0 | 1,000 |
| Transport - Additional provision | 1,322 | 0 | (1,192) | 130 |
| Contingency | 1,500 | 0 | 0 | 1,500 |
| Apprenticeship Levy | 0 | 0 | 0 | 0 |
| Merton Adult Education | 0 | 0 | 600 | 600 |
| Loss of HB Admin. Grant | 0 | 0 | 200 | 200 |
| Change in Corporate Specific and Special Grants | 70 | 0 | 134 | 204 |
| Levies:- | | | | |
| Lee Valley | 209 | | (5) | 204 |
| London Pensions Fund | 264 | | (3) | 262 |
| Environment Agency | 159 | | 3 | 162 |
| WPCC | 293 | | 7 | 300 |
| GROSS EXPENDITURE | 26,653 | 0 | (1,193) | 25,460 |
| Income | | | | |
| Investment Income | (559) | | (180) | (739) |
| Depreciation & Impairment | (16,505) | | (1,132) | (17,638) |
| Appropriations to/from reserves (excluding Public Health) | (4,991) | | 6,684 | 1,693 |
| CHAS - IP | (174) | | (978) | (1,152) |
| GROSS INCOME | (22,230) | 0 | 4,394 | (17,836) |
| NET EXPENDITURE | 4,423 | 0 | 3,202 | 7,625 |



2016/2017 ESTIMATES

CORPORATE SERVICES DEPARTMENT

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff

Number of Fixed term contracts

Number of FTE Sutton TUPE staff

Number of FTE Richmond TUPE staff

Total FTE

| 2015/16 | 2016/17 |
|--------------|--------------|
| 454.6 | 474.9 |
| 71.0 | 57.0 |
| 39.0 | 0.0 |
| 0.0 | 6.0 |
| 564.6 | 537.9 |

SUBJECTIVE ANALYSIS OF ESTIMATES

Expenditure

| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|------------------------------------|-----------------------------|-------------------|-----------------------------|-----------------------------|
| Employees | 26,172 | 10 | (2,415) | 23,768 |
| Premises | 2,787 | 12 | 24 | 2,823 |
| Transport | 139 | 1 | (3) | 137 |
| Supplies and Services | 11,661 | 45 | (1,142) | 10,565 |
| Third Party Payments | 1,343 | 6 | 524 | 1,873 |
| Transfer Payments | 93,710 | 0 | 0 | 93,710 |
| Support Services | 8,432 | 0 | 357 | 8,789 |
| Depreciation and Impairment Losses | 2,045 | 0 | 278 | 2,322 |

GROSS EXPENDITURE

| | | | |
|----------------|-----------|----------------|----------------|
| 146,290 | 74 | (2,377) | 143,986 |
|----------------|-----------|----------------|----------------|

Income

| | | | | |
|--|----------|---|-------|----------|
| Government Grants | (95,165) | 0 | 287 | (94,878) |
| Other Reimbursements and Contributions | (5,531) | 0 | (59) | (5,590) |
| Customer and Client Receipts | (6,526) | 0 | (110) | (6,636) |
| Interest | 0 | 0 | 0 | 0 |
| Recharges | (25,043) | 0 | (481) | (25,524) |
| Reserves | 0 | 0 | 0 | 0 |

GROSS INCOME

| | | | |
|------------------|----------|--------------|------------------|
| (132,265) | 0 | (363) | (132,628) |
|------------------|----------|--------------|------------------|

NET EXPENDITURE

| | | | |
|---------------|-----------|----------------|---------------|
| 14,024 | 74 | (2,740) | 11,359 |
|---------------|-----------|----------------|---------------|

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS (FTE)
Number of Permanent Staff
Number of Fixed term contracts
Number of FTE Sutton TUPE staff
Number of FTE Richmond TUPE staff
Total FTE

| 2015/16 | 2016/17 |
|--------------|--------------|
| 454.6 | 474.9 |
| 71.0 | 57.0 |
| 39.0 | 0.0 |
| 0.0 | 6.0 |
| 564.6 | 537.9 |

SERVICE AREA ANALYSIS

| CHANGE BETWEEN YEARS | | | |
|---|-------------------|-----------------------------|-----------------------------|
| 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
| 2,394 | 8 | 80 | 2,483 |
| 77 | 25 | 215 | 317 |
| 2,272 | 4 | (2,276) | (0) |
| 1,793 | 2 | (543) | 1,252 |
| 2,225 | 19 | 87 | 2,331 |
| 291 | 5 | (295) | 1 |
| 4,973 | 11 | (8) | 4,976 |
| 14,025 | 74 | (2,740) | 11,359 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 14,025 | 74 | (2,740) | 11,359 |

INFRASTRUCTURE & TRANSACTIONS

The Infrastructure & Transactions Division consists of Facilities Management, IT Service Delivery, Post & Print Room and Transactional services.

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff

Number of Fixed term contracts

Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 90.7 | 88.7 |
| 0.0 | 0.0 |
| 90.7 | 88.7 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 3,655 | 0 | 83 | 3,738 |
| Premises | 2,645 | 11 | 17 | 2,673 |
| Transport | 36 | 0 | (7) | 29 |
| Supplies and Services | 2,812 | 13 | (278) | 2,547 |
| Third Party Payments | 210 | 1 | 106 | 317 |
| Transfer Payments | 0 | 0 | 9 | 9 |
| Support Services | 837 | | 38 | 875 |
| Depreciation and Impairment Losses | 2,045 | | 278 0 | 2,322 |
| GROSS EXPENDITURE | 12,238 | 25 | 247 | 12,510 |
| Income | | | | |
| Government Grants | 0 | | 0 | 0 |
| Other Reimbursements and Contributions | 0 | | 0 | 0 |
| Customer and Client Receipts | (2,406) | | (63) | (2,469) |
| Interest | 0 | | | 0 |
| Recharges | (9,755) | | 31 | (9,724) |
| Reserves | 0 | | | 0 |
| GROSS INCOME | (12,161) | 0 | (32) | (12,193) |
| NET EXPENDITURE | 77 | 25 | 215 | 317 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|------------|--------------|
| Savings | (567) | (2.0) |
| Transfer between departments | 214 | 6.0 |
| Technical adjustments | 175 | (6.0) |
| Depreciation adjustments | 278 | |
| Overheads adjustments | 69 | |
| Use of reserves | | |
| TOTAL | 169 | (2.0) |

CUSTOMER SERVICES

The Customer Services Division consists of: Merton Link (including the Cash Office, Translation Services and Contact Centre), Support Team, Local Taxation (including Business Rates, Baliff Team and Recovery Team), Benefits Administration, Registrars, Debt Recovery, Corporate Communications, Web Team and Consultation & Community Engagement

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff

Number of Fixed term contracts

Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 137.3 | 134.0 |
| 11.0 | 9.0 |
| 148.3 | 143.0 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 5,113 | 0 | 60 | 5,173 |
| Premises | 20 | 0 | 8 | 29 |
| Transport | 64 | 0 | 5 | 70 |
| Supplies and Services | 1,425 | 6 | (342) | 1,089 |
| Third Party Payments | 458 | 2 | (35) | 425 |
| Transfer Payments | 0 | | | 0 |
| Support Services | 1,910 | | 500 | 2,410 |
| Depreciation and Impairment Losses | 0 | | | 0 |
| GROSS EXPENDITURE | 8,991 | 8 | 196 | 9,196 |
| Income | | | | |
| Government Grants | (1,519) | | 287 | (1,232) |
| Other Reimbursements and Contributions | (930) | | (40) | (970) |
| Customer and Client Receipts | (2,184) | | (44) | (2,228) |
| Interest | 0 | | | 0 |
| Recharges | (1,964) | | (319) | (2,283) |
| Reserves | 0 | | | 0 |
| GROSS INCOME | (6,597) | 0 | (116) | (6,713) |
| NET EXPENDITURE | 2,394 | 8 | 80 | 2,483 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|-----------|--------------|
| Savings | (520) | (3.0) |
| Transfer between departments | | |
| Technical adjustments | 372 | 2.7 |
| Depreciation adjustments | | |
| Overhead adjustments | 181 | |
| Use of Reserves | 25 | (5.0) |
| TOTAL | 58 | (5.3) |

CORPORATE GOVERNANCE

The Corporate Governance Division consists of the South London Legal Partnership, Internal Audit, Investigations, Democracy Services, Electoral Services and Information Governance. Internal audit joined the Richmond and Kingston shared internal audit service in October 2015.

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff

Number of Fixed term contracts

Number of FTE Richmond TUPE staff

Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 123.3 | 121.0 |
| 4.0 | 2.0 |
| 0.0 | 6.0 |
| 127.3 | 129.0 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 6,606 | 0 | (825) | 5,781 |
| Premises | 7 | 0 | (1) | 6 |
| Transport | 32 | 0 | 1 | 33 |
| Supplies and Services | 1,549 | 2 | (57) | 1,494 |
| Third Party Payments | 0 | | 493 | 493 |
| Transfer Payments | 0 | | | 0 |
| Support Services | 540 | | (48) | 492 |
| Depreciation and Impairment Losses | 0 | | | 0 |
| GROSS EXPENDITURE | 8,735 | 2 | (437) | 8,299 |
| Income | | | | |
| Government Grants | 0 | | | 0 |
| Other Reimbursements and Contributions | (4,527) | | (19) | (4,545) |
| Customer and Client Receipts | (530) | | 0 | (530) |
| Interest | 0 | | | 0 |
| Recharges | (1,886) | | (87) | (1,973) |
| Reserves | 0 | | | 0 |
| GROSS INCOME | (6,942) | 0 | (106) | (7,048) |
| NET EXPENDITURE | 1,793 | 2 | (543) | 1,252 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|--------------|------------|
| Previous years savings | (155) | |
| New savings | | |
| Transfer between departments | | |
| Technical adjustments | (23) | 0.7 |
| Depreciation adjustments | | |
| Overhead adjustments | (135) | |
| Use of Reserves | (234) | 1.0 |
| TOTAL | (547) | 1.7 |

BUSINESS IMPROVEMENT

The Business Improvement Division consists of IT Business Systems, IT Business Process Re-engineering, Business Improvement and Programme Office.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of Fixed term contracts
Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 31.5 | 29.0 |
| 13.0 | 20.0 |
| 44.5 | 49.0 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 3,576 | 0 | (1,214) | 2,363 |
| Premises | 0 | 0 | 0 | 0 |
| Transport | 3 | 0 | 0 | 3 |
| Supplies and Services | 1,230 | 4 | (223) | 1,011 |
| Third Party Payments | 0 | | 0 | 0 |
| Transfer Payments | 0 | | 0 | 0 |
| Support Services | 386 | | (51) | 335 |
| Depreciation and Impairment Losses | 0 | | 0 | 0 |
| | | | 0 | |
| GROSS EXPENDITURE | 5,196 | 4 | (1,487) | 3,712 |
| Income | | | | |
| Government Grants | 0 | | | 0 |
| Other Reimbursements and Contributions | 0 | | | 0 |
| Customer and Client Receipts | (84) | | (30) | (114) |
| Interest | 0 | | | 0 |
| Recharges | (2,840) | | (759) | (3,599) |
| Reserves | 0 | | | 0 |
| GROSS INCOME | (2,924) | 0 | (789) | (3,713) |
| NET EXPENDITURE | 2,272 | 4 | (2,276) | (0) |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|------------------|------------|
| Savings | (278.0) | (4.0) |
| Transfer between departments | | |
| Technical adjustments | 39.0 | 1.5 |
| Depreciation adjustments | | |
| Overheads adjustments | (810.0) | |
| Use of reserves | (1,227.0) | 7.0 |
| TOTAL | (2,276.0) | 4.5 |

RESOURCES

The Resources Division consists of Policy & Strategy, Commercial Services, Business Planning, Accountancy and Business Partners . The Pensions service is managed by LB Wandsworth.

FULL TIME EQUIVALENTS

Number of Permanent Staff

Number of Fixed term contracts

Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 67.3 | 58.6 |
| 3.0 | 3.0 |
| 70.3 | 61.6 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 4,071 | 0 | (426) | 3,645 |
| Premises | 100 | 0 | (1) | 100 |
| Transport | 4 | 0 | (2) | 2 |
| Supplies and Services | 4,110 | 19 | (223) | 3,906 |
| Third Party Payments | 171 | 0 | 0 | 171 |
| Transfer Payments | 9 | | (9) | 0 |
| Support Services | 602 | | (65) | 537 |
| Depreciation and Impairment Losses | 0 | | | 0 |
| GROSS EXPENDITURE | 9,068 | 19 | (726) | 8,361 |
| Income | | | | |
| Government Grants | 0 | | | 0 |
| Other Reimbursements and Contributions | (54) | | | (54) |
| Customer and Client Receipts | (753) | | 27 | (726) |
| Interest | 0 | | | 0 |
| Recharges | (6,036) | | 786 | (5,250) |
| Reserves | 0 | | | 0 |
| GROSS INCOME | (6,843) | 0 | 813 | (6,030) |
| NET EXPENDITURE | 2,225 | 19 | 87 | 2,331 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|-----------|--------------|
| Savings | (381) | (2.5) |
| Transfer between departments | (214) | (6.0) |
| Technical adjustments | 107 | (0.2) |
| Depreciation adjustments | | |
| Overhead adjustments | 721 | |
| Use of Reserves | (146) | |
| TOTAL | 87 | (8.7) |

HR

The HR division consists of: Strategic HR, Business Partnerships, Corporate Learning & Development, Diversity, iTrent Client team, Recruitment & Resourcing, Central Operations Team. The function also interfaces with Staff Side. The HR service previously shared with the LB of Sutton but will be brought back in house from April 2016.

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff

Number of Fixed term contracts

Number of FTE Sutton TUPE staff

Total FTE

| 2015/16 | 2016/17 |
|-------------|-------------|
| 4.5 | 43.5 |
| 40.0 | 23.0 |
| 39.0 | 0.0 |
| 83.5 | 66.5 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 2,463 | 2 | (94) | 2,372 |
| Premises | 15 | 0 | 0 | 15 |
| Transport | (0) | 0 | 0 | (0) |
| Supplies and Services | 221 | 1 | (15) | 207 |
| Third Party Payments | 263 | 1 | (40) | 224 |
| Transfer Payments | 0 | | | 0 |
| Support Services | 480 | | (13) | 467 |
| Depreciation and Impairment Losses | 0 | | | 0 |
| GROSS EXPENDITURE | 3,442 | 5 | (162) | 3,285 |
| Income | | | | |
| Government Grants | 0 | | | 0 |
| Other Reimbursements and Contributions | (20) | | | (20) |
| Customer and Client Receipts | (569) | | | (569) |
| Interest | 0 | | | 0 |
| Recharges | (2,562) | | (133) | (2,695) |
| Reserves | 0 | | | 0 |
| GROSS INCOME | (3,151) | 0 | (133) | (3,284) |
| NET EXPENDITURE | 291 | 5 | (295) | 1 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|--------------|---------------|
| Savings | (142) | |
| Transfer between departments | | |
| Technical adjustments | 43 | |
| Depreciation adjustments | | |
| Overheads adjustments | (146) | |
| Use of reserves | (50) | (17.0) |
| TOTAL | (295) | (17.0) |

CORPORATE ITEMS

Corporate Management is composed of Housing Benefit subsidy payments and entitlements, Agency contract, Coroners Court and Severance payments.

FULL TIME EQUIVALENTS(FTE) Number of Permanent Staff

| 2015/16 | 2016/17 |
|---------|---------|
| 0 | 0 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees* | 688 | 8 | 0 | 696 |
| Premises | 0 | 0 | | 0 |
| Transport | 0 | 0 | | 0 |
| Supplies and Services | 313 | 2 | (4) | 310 |
| Third Party Payments | 242 | 1 | | 243 |
| Transfer Payments | 93,700 | | | 93,700 |
| Support Services | 3,677 | | (4) | 3,673 |
| Depreciation and Impairment Losses | 0 | | | 0 |
| GROSS EXPENDITURE | 98,620 | 11 | (8) | 98,623 |
| Income | | | | |
| Government Grants | (93,647) | | | (93,647) |
| Other Reimbursements and Contributions | 0 | | | 0 |
| Customer and Client Receipts | 0 | | | 0 |
| Interest | 0 | | | 0 |
| Recharges | (0) | | | (0) |
| Reserves | 0 | | | 0 |
| GROSS INCOME | (93,647) | 0 | 0 | (93,647) |
| NET EXPENDITURE | 4,973 | 11 | (8) | 4,976 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|------------|------------|
| Savings | | |
| Transfer between departments | | |
| Technical adjustments | 0 | |
| Overheads adjustments | (4) | |
| TOTAL | (4) | 0.0 |

* The employee budgets shown here relate to employee redundancy payments. There are no FTE's in Corporate Items



2016/2017 ESTIMATES

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

This Page contains the Budget for the whole Children, Schools and Families Department including funding provided directly to Merton's Schools

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of DSG Staff
Number of Fixed term contracts
Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 445.0 | 430.5 |
| 66.4 | 75.4 |
| 24.5 | 22.5 |
| 535.9 | 528.4 |

SUBJECTIVE ANALYSIS OF ESTIMATES

Expenditure

Employees
Premises
Transport
Supplies and Services
Third Party Payments
Transfer Payments
Support Services
Depreciation and Impairment Losses

| 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 | 2016/17 DSG Estimate £000 | 2016/17 LA Estimate £000 |
|--|-------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------------|
| 26,420 | 11 | 141 | 26,572 | 4,423 | 22,149 |
| 1,465 | 4 | 79 | 1,548 | 73 | 1,475 |
| 3,375 | 16 | 910 | 4,301 | 66 | 4,235 |
| 164,049 | 180 | (18,936) | 145,293 | 130,036 | 15,257 |
| 30,573 | 82 | (2,242) | 28,413 | 12,260 | 16,153 |
| 360 | 0 | 28 | 388 | 0 | 388 |
| 4,614 | 0 | 223 | 4,837 | 258 | 4,579 |
| 5,237 | 0 | 74 | 5,311 | 0 | 5,311 |
| 236,093 | 293 | (19,723) | 216,663 | 147,116 | 69,547 |
| Income | | | | | |
| Government Grants | 0 | 17,617 | (157,209) | (145,397) | (11,812) |
| Other Reimbursements and Contributions | 0 | 1,189 | (6,138) | (1,238) | (4,900) |
| Customer and Client Receipts | 0 | 177 | (2,849) | (243) | (2,606) |
| Interest | 0 | (2) | (46) | 0 | (46) |
| Recharges | 0 | 0 | 0 | 0 | 0 |
| Reserves | 0 | (262) | (238) | (238) | 0 |
| (185,199) | 0 | 18,719 | (166,480) | (147,116) | (19,364) |
| NET EXPENDITURE | 293 | (1,004) | 50,183 | 0 | 50,183 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|----------------------------|----------------|--------------|
| Savings | (2,191) | -3.4 |
| Overhead adjustments | 222 | |
| Depreciation adjustments | 74 | |
| Technical adjustments | 1,579 | |
| Revenuisation | (27) | |
| Use of Reserves adjustment | (661) | |
| TOTAL | (1,004) | (3.4) |

| SUMMARY: CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT | | | | | | |
|--|-----------------------------|-------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------------|
| SERVICE AREA ANALYSIS | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 | 2016/17 DSG Estimate £000 | 2016/17 LA Estimate £000 |
| Senior Management | 1,505 | 2 | 17 | 1,524 | 0 | 1,524 |
| Childrens Social Care | 13,137 | 10 | 144 | 13,291 | 117 | 13,174 |
| Commissioning, Strategy and Performance | 14,128 | 41 | (1,087) | 13,082 | 3,780 | 9,302 |
| Education | 35,356 | 43 | (889) | 34,510 | 23,732 | 10,778 |
| Schools | (20,872) | 0 | (1,622) | (22,494) | (27,629) | 5,135 |
| Other Childrens, Schools and Families | 7,640 | 197 | 2,433 | 10,270 | 0 | 10,270 |
| TOTAL NET EXPENDITURE | 50,894 | 293 | (1,004) | 50,183 | 0 | 50,183 |

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Senior Management

This budget contains provision for the Senior Management of Children, Schools and Families Department.

FULL TIME EQUIVALENTS

Number of Permanent Staff
 Number of DSG Staff
 Number of Fixed term contracts
 Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 4.0 | 4.0 |
| 0.0 | 0.0 |
| 0.0 | 0.0 |
| 4.0 | 4.0 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 | 2016/17 DSG Estimate £000 | 2016/17 LA Estimate £000 |
|--|-----------------------------|-------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------------|
| Expenditure | | | | | | |
| Employees | 609 | 0 | 4 | 613 | 0 | 613 |
| Premises | 0 | 0 | 0 | 0 | 0 | 0 |
| Transport | 1 | 0 | 0 | 1 | 0 | 1 |
| Supplies and Services | 864 | 2 | (10) | 856 | 0 | 856 |
| Third Party Payments | 7 | 0 | 0 | 7 | 0 | 7 |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Support Services | 24 | 0 | 23 | 47 | 0 | 47 |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 | 0 | 0 |
| GROSS EXPENDITURE | 1,505 | 2 | 17 | 1,524 | 0 | 1,524 |
| Income | | | | | | |
| Government Grants | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Reimbursements and Contributions | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer and Client Receipts | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| GROSS INCOME | 0 | 0 | 0 | 0 | 0 | 0 |
| NET EXPENDITURE | 1,505 | 2 | 17 | 1,524 | 0 | 1,524 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|--|-----------|------------|
| Overhead adjustments | 23 | |
| Transfer between departments | 0 | |
| Shared legal services devolved budgets | 0 | |
| Technical adjustments | (6) | |
| TOTAL | 17 | 0.0 |

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Children's Social Care

This budget contains the funding for central social work; family and adolescent service; Mash and child protection; permanency, placements and looked after children; as well as safeguarding, standards and training.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of DSG Staff
Number of Fixed term contracts
Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 190.9 | 187.4 |
| 2.0 | 2.0 |
| 22.0 | 18.2 |
| 214.9 | 207.6 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 | 2016/17 DSG Estimate £000 | 2016/17 LA Estimate £000 |
|--|-----------------------------|-------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------------|
| Expenditure | | | | | | |
| Employees | 9,841 | 0 | (164) | 9,677 | 105 | 9,572 |
| Premises | 93 | 0 | (40) | 53 | 0 | 53 |
| Transport | 188 | 1 | (24) | 165 | 1 | 164 |
| Supplies and Services | 1,084 | 3 | (254) | 833 | 4 | 829 |
| Third Party Payments | 1,242 | 6 | (87) | 1,161 | 0 | 1,161 |
| Transfer Payments | 341 | 0 | 28 | 369 | 0 | 369 |
| Support Services | 1,744 | 0 | 266 | 2,010 | 7 | 2,003 |
| Depreciation and Impairment Losses | 11 | 0 | (11) | 0 | 0 | 0 |
| GROSS EXPENDITURE | 14,544 | 10 | (286) | 14,268 | 117 | 14,151 |
| Income | | | | | | |
| Government Grants | (881) | 0 | 140 | (741) | 0 | (741) |
| Other Reimbursements and Contributions | (526) | 0 | 290 | (236) | 0 | (236) |
| Customer and Client Receipts | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| GROSS INCOME | (1,407) | 0 | 430 | (977) | 0 | (977) |
| NET EXPENDITURE | 13,137 | 10 | 144 | 13,291 | 117 | 13,174 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|----------------------------|------------|--------------|
| Savings | (200) | (2.4) |
| Overhead adjustments | 265 | |
| Depreciation adjustments | (11) | |
| Use of Reserves adjustment | (583) | |
| Technical adjustments | 673 | |
| TOTAL | 144 | (2.4) |

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Commissioning, Strategy and Performance

This page contains the budgets for access to resources service; policy, planning and performance; joint commissioning and partnerships; as well as contract procurement and school organisation.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of DSG Staff
Number of Fixed term contracts
Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 36.8 | 37.2 |
| 5.9 | 5.9 |
| 2.5 | 2.5 |
| 45.2 | 45.6 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 | 2016/17 DSG Estimate £000 | 2016/17 LA Estimate £000 |
|--|-----------------------------|-------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------------|
| Expenditure | | | | | | |
| Employees | 2,208 | 0 | (95) | 2,113 | 211 | 1,902 |
| Premises | 418 | 2 | 0 | 420 | 20 | 400 |
| Transport | 36 | 0 | (1) | 35 | 3 | 32 |
| Supplies and Services | 4,317 | 21 | (789) | 3,549 | 46 | 3,503 |
| Third Party Payments | 7,262 | 18 | (286) | 6,994 | 3,496 | 3,498 |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Support Services | 472 | 0 | 39 | 511 | 32 | 479 |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 | 0 | 0 |
| GROSS EXPENDITURE | 14,713 | 41 | (1,132) | 13,622 | 3,808 | 9,814 |
| Income | | | | | | |
| Government Grants | (77) | 0 | 9 | (68) | 0 | (68) |
| Other Reimbursements and Contributions | (283) | 0 | 76 | (207) | (28) | (179) |
| Customer and Client Receipts | (225) | 0 | (40) | (265) | 0 | (265) |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| GROSS INCOME | (585) | 0 | 45 | (540) | (28) | (512) |
| NET EXPENDITURE | 14,128 | 41 | (1,087) | 13,082 | 3,780 | 9,302 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|----------------------------|----------------|------------|
| Savings | (759) | 0.0 |
| Overhead adjustments | 34 | |
| Use of Reserves adjustment | (52) | |
| Revenuisation | (25) | |
| Technical adjustments | (285) | |
| TOTAL | (1,087) | 0.0 |

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Education

To page contains the budgets for school improvement; early years and children's centres; education inclusion; as well as special educational needs and disability integrated service.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of DSG Staff
Number of Fixed term contracts
Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 211.1 | 199.8 |
| 58.5 | 67.6 |
| 0.0 | 1.7 |
| 269.6 | 269.0 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 | 2016/17 DSG Estimate £000 | 2016/17 LA Estimate £000 |
|--|-----------------------------|-------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------------|
| Expenditure | | | | | | |
| Employees | 10,955 | 0 | 400 | 11,355 | 3,434 | 7,921 |
| Premises | 908 | 1 | 117 | 1,026 | 5 | 1,021 |
| Transport | 3,150 | 15 | 936 | 4,101 | 61 | 4,040 |
| Supplies and Services | 15,368 | 20 | (1,707) | 13,681 | 11,926 | 1,755 |
| Third Party Payments | 11,761 | 7 | (1,933) | 9,835 | 8,765 | 1,070 |
| Transfer Payments | 19 | 0 | 0 | 19 | 0 | 19 |
| Support Services | 2,358 | 0 | (111) | 2,247 | 219 | 2,028 |
| Depreciation and Impairment Losses | 172 | 0 | 4 | 176 | 0 | 176 |
| GROSS EXPENDITURE | 44,691 | 43 | (2,294) | 42,440 | 24,410 | 18,030 |
| Income | | | | | | |
| Government Grants | (3,243) | 0 | 503 | (2,740) | (146) | (2,594) |
| Other Reimbursements and Contributions | (3,292) | 0 | 923 | (2,369) | (51) | (2,318) |
| Customer and Client Receipts | (2,800) | 0 | 217 | (2,583) | (243) | (2,340) |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | (238) | (238) | (238) | 0 |
| GROSS INCOME | (9,335) | 0 | 1,405 | (7,930) | (678) | (7,252) |
| NET EXPENDITURE | 35,356 | 43 | (889) | 34,510 | 23,732 | 10,778 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|--------------|--------------|
| Savings | (1,025) | (1.0) |
| Overhead adjustments | (106) | |
| Transfer between departments | (2) | |
| Use of Reserves adjustment | (50) | |
| Depreciation adjustments | 4 | |
| Technical adjustments | 290 | |
| TOTAL | (889) | (1.0) |

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Schools

This budget covers schools funding as well as some centrally retained DSG money to support the schools function.

FULL TIME EQUIVALENTS

Number of Permanent Staff
 Number of DSG Staff
 Number of Fixed term contracts
 Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 0.0 | 0.0 |
| 0.0 | 0.0 |
| 0.0 | 0.0 |
| 0.0 | 0.0 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 | 2016/17 DSG Estimate £000 | 2016/17 LA Estimate £000 |
|--|-----------------------------|-------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------------|
| Expenditure | | | | | | |
| Employees | 654 | 0 | 20 | 674 | 674 | 0 |
| Premises | 46 | 0 | 2 | 48 | 48 | 0 |
| Transport | 0 | 0 | 0 | 0 | 0 | 0 |
| Supplies and Services | 142,104 | 0 | (15,966) | 126,138 | 118,059 | 8,079 |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Support Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation and Impairment Losses | 5,054 | 0 | 81 | 5,135 | 0 | 5,135 |
| GROSS EXPENDITURE | 147,858 | 0 | (15,863) | 131,995 | 118,781 | 13,214 |
| Income | | | | | | |
| Government Grants | (167,701) | 0 | 14,371 | (153,330) | (145,251) | (8,079) |
| Other Reimbursements and Contributions | (1,029) | 0 | (130) | (1,159) | (1,159) | 0 |
| Customer and Client Receipts | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| GROSS INCOME | (168,730) | 0 | 14,241 | (154,489) | (146,410) | (8,079) |
| NET EXPENDITURE | (20,872) | 0 | (1,622) | (22,494) | (27,629) | 5,135 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|--------------------------|----------------|------------|
| Depreciation adjustments | 81 | |
| Technical adjustments | (1,703) | |
| TOTAL | (1,622) | 0.0 |

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Other Children Schools and Families Budgets

This budget covers asylum seeker costs, past and present pension and redundancy costs, ESG income and PFI unitary charges.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of DSG Staff
Number of Fixed term contracts
Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 2.2 | 2.2 |
| 0.0 | 0.0 |
| 0.0 | 0.0 |
| 2.2 | 2.2 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 | 2016/17 DSG Estimate £000 | 2016/17 LA Estimate £000 |
|--|-----------------------------|-------------------|-----------------------------|-----------------------------|------------------------------------|-----------------------------------|
| Expenditure | | | | | | |
| Employees | 2,152 | 10 | (22) | 2,140 | 0 | 2,140 |
| Premises | 0 | 0 | 0 | 0 | 0 | 0 |
| Transport | 0 | 0 | 0 | 0 | 0 | 0 |
| Supplies and Services | 312 | 135 | (212) | 235 | 0 | 235 |
| Third Party Payments | 10,301 | 52 | 64 | 10,417 | 0 | 10,417 |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Support Services | 16 | 0 | 6 | 22 | 0 | 22 |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 | 0 | 0 |
| GROSS EXPENDITURE | 12,781 | 197 | (164) | 12,814 | 0 | 12,814 |
| Income | | | | | | |
| Government Grants | (2,923) | 0 | 2,594 | (329) | 0 | (329) |
| Other Reimbursements and Contributions | (2,198) | 0 | 29 | (2,169) | 0 | (2,169) |
| Customer and Client Receipts | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest | (44) | 0 | (2) | (46) | 0 | (46) |
| Recharges | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserves | 24 | 0 | (24) | 0 | 0 | 0 |
| GROSS INCOME | (5,141) | 0 | 2,597 | (2,544) | 0 | (2,544) |
| NET EXPENDITURE | 7,640 | 197 | 2,433 | 10,270 | 0 | 10,270 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|----------------------------|--------------|------------|
| Savings | (207) | |
| Overhead adjustments | 6 | |
| Use of Reserves adjustment | 24 | |
| Technical adjustments | 2,610 | |
| TOTAL | 2,433 | 0.0 |



2016/2017 ESTIMATES

ENVIRONMENT AND REGENERATION DEPARTMENT

SUMMARY: ENVIRONMENT & REGENERATION

FULL TIME EQUIVALENTS (FTE)
Permanent Staff
Fixed Term Contract
Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 644 | 620 |
| 11 | 9 |
| 654 | 628 |

SERVICE AREA ANALYSIS

| CHANGE BETWEEN YEARS | | | |
|---|-------------------|-----------------------------|-------------------------------|
| 2015/2016 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/2017 Estimate £000 |
| 17,733 | 71 | (1,045) | 16,759 |
| (7,944) | 9 | (1,411) | (9,346) |
| 14,196 | 44 | (423) | 13,817 |
| 0 | 1 | (1) | 0 |
| 23,985 | 125 | (2,880) | 21,230 |

ENVIRONMENT AND REGENERATION DEPARTMENT

Departmental Summary

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 644 | 620 |
| 11 | 9 |
| 654 | 628 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/2016 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/2017 Estimate £000 |
|--|---|-------------------|-----------------------------|-------------------------------|
| Expenditure | | | | |
| Employees | 23,428 | 0 | (275) | 23,153 |
| Premises | 2,966 | 24 | 44 | 3,034 |
| Transport | 8,861 | 13 | (184) | 8,690 |
| Supplies and Services | 4,728 | 16 | (1,359) | 3,385 |
| Third Party Payments | 10,289 | 72 | (462) | 9,899 |
| Transfer Payments | 9 | 0 | (7) | 2 |
| Support Services | 8,825 | 0 | 267 | 9,092 |
| Depreciation and Impairment Losses | 8,583 | 0 | 956 | 9,539 |
| GROSS EXPENDITURE | 67,689 | 125 | (1,020) | 66,794 |
| Income | | | | |
| Government Grants | (481) | 0 | 365 | (116) |
| Other Reimbursements and Contributions | (3,658) | 0 | 307 | (3,351) |
| Customer and Client Receipts | (36,908) | 0 | (2,745) | (39,653) |
| Interest | 0 | 0 | 0 | 0 |
| Recharges | (2,656) | 0 | 213 | (2,443) |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (43,703) | 0 | (1,860) | (45,563) |
| NET EXPENDITURE | 23,985 | 125 | (2,880) | 21,230 |

Other variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|----------------|---------------|
| Savings | (4,771) | (22) |
| Depreciation adjustments | 957 | |
| Overheads adjustments | 480 | |
| Transfer between departments | (104) | |
| Technical adjustments | 1,670 | |
| Use of Reserves adjustments | (1,112) | (3) |
| TOTAL | (2,880) | (24.4) |

ENVIRONMENT AND REGENERATION DEPARTMENT

Street Scene and Waste: Transport Services, Waste Management and Operations.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 314 | 302 |
| 1 | 0 |
| 315 | 302 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/2016 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/2017 Estimate £000 |
|--|---|-------------------|-----------------------------|-------------------------------|
| Expenditure | | | | |
| Employees | 9,338 | 0 | 33 | 9,371 |
| Premises | 276 | 0 | (22) | 254 |
| Transport | 8,231 | 10 | (149) | 8,092 |
| Supplies and Services | 1,137 | 3 | (446) | 694 |
| Third Party Payments | 6,674 | 58 | (189) | 6,543 |
| Transfer Payments | 2 | 0 | 0 | 2 |
| Support Services | 3,171 | 0 | (239) | 2,932 |
| Depreciation and Impairment Losses | 1,193 | 0 | (89) | 1,104 |
| GROSS EXPENDITURE | 30,022 | 71 | (1,101) | 28,992 |
| Income | | | | |
| Government Grants | 0 | 0 | 0 | 0 |
| Other Reimbursements and Contributions | (1,016) | 0 | 142 | (874) |
| Customer and Client Receipts | (11,273) | 0 | (86) | (11,359) |
| Recharges | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (12,289) | 0 | 56 | (12,233) |
| NET EXPENDITURE | 17,733 | 71 | (1,045) | 16,759 |

Other variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|----------------|---------------|
| Savings | (544) | (11.0) |
| Depreciation adjustments | (88) | |
| Overheads adjustments | (239) | |
| Transfer between departments | (84) | |
| Technical adjustments | 185 | |
| Use of reserves adjustments | (275) | (1.0) |
| TOTAL | (1,045) | (12.0) |

ENVIRONMENT AND REGENERATION DEPARTMENT

Public Protection: Regulatory Services Partnership, Parking Control, Safer Merton.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff *

Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 146 | 142 |
| 1 | 0 |
| 147 | 142 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/2016 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/2017 Estimate £000 |
|--|---|-------------------|-----------------------------|-------------------------------|
| Expenditure | | | | |
| Employees | 5,577 | 0 | 86 | 5,663 |
| Premises | 643 | 2 | (24) | 621 |
| Transport | 185 | 1 | (16) | 170 |
| Supplies and Services | 566 | 3 | 0 | 569 |
| Third Party Payments | 617 | 3 | (5) | 615 |
| Transfer Payments | 0 | 0 | 0 | 0 |
| Support Services | 1,474 | 0 | 305 | 1,779 |
| Depreciation and Impairment Losses | 212 | 0 | (80) | 132 |
| GROSS EXPENDITURE | 9,274 | 9 | 266 | 9,549 |
| Income | | | | |
| Government Grants | (108) | 0 | 0 | (108) |
| Other Reimbursements and Contributions | (1,279) | 0 | 111 | (1,168) |
| Customer and Client Receipts | (15,830) | 0 | (1,788) | (17,618) |
| Recharges | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (17,217) | 0 | (1,677) | (18,894) |
| NET EXPENDITURE | (7,944) | 9 | (1,411) | (9,346) |

Other variations are analysed as follows:

| Major Items | £000 | fte |
|-----------------------------|----------------|--------------|
| Savings | (3,065) | (3.0) |
| Depreciation adjustments | (80) | |
| Overheads adjustments | 305 | |
| Technical adjustments | 1,429 | |
| Use of Reserves adjustments | 0 | |
| TOTAL | (1,411) | (3.0) |

ENVIRONMENT AND REGENERATION DEPARTMENT

Sustainable Communities: Traffic and Highway Services, Development Control, Building Control, Physical Regeneration, Spatial Planning and Policy, Regeneration Partnerships, Property Management, Greenspaces, Leisure and Culture Development, Transport Planning & Safety Education, Business Performance.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|---------|---------|
| 173 | 166 |
| 7 | 9 |
| 180 | 175 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/2016 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/2017 Estimate £000 |
|--|---|-------------------|-----------------------------|-------------------------------|
| Expenditure | | | | |
| Employees | 7,574 | 0 | (208) | 7,366 |
| Premises | 2,046 | 22 | 90 | 2,158 |
| Transport | 425 | 2 | (7) | 420 |
| Supplies and Services | 2,825 | 9 | (916) | 1,918 |
| Third Party Payments | 2,998 | 11 | (268) | 2,741 |
| Transfer Payments | 7 | 0 | (7) | 0 |
| Support Services | 4,033 | 0 | 217 | 4,250 |
| Depreciation and Impairment Losses | 7,179 | 0 | 1,125 | 8,304 |
| GROSS EXPENDITURE | 27,087 | 44 | 26 | 27,157 |
| Income | | | | |
| Government Grants | (373) | 0 | 365 | (8) |
| Other Reimbursements and Contributions | (1,363) | 0 | 54 | (1,309) |
| Customer and Client Receipts | (9,804) | 0 | (871) | (10,675) |
| Recharges | (1,350) | 0 | 3 | (1,347) |
| Reserves | (0) | 0 | 0 | (0) |
| GROSS INCOME | (12,891) | 0 | (449) | (13,340) |
| NET EXPENDITURE | 14,196 | 44 | (423) | 13,817 |

Other variations are analysed as follows:

| Major Items | £000 | fte |
|------------------------------|--------------|--------------|
| Savings | (1,092) | (6.2) |
| Depreciation adjustments | 1,125 | |
| Overheads adjustments | 220 | |
| Transfer between departments | (20) | |
| Technical adjustments | 31 | |
| Use of Reserves adjustments | (687) | 0.4 |
| TOTAL | (423) | (5.8) |

ENVIRONMENT AND REGENERATION DEPARTMENT

Senior Management and Support: The Department's senior management and secretarial support.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|-----------|----------|
| 11 | 9 |
| 2 | 0 |
| 13 | 9 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/2016 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/2017 Estimate £000 |
|--|---|-------------------|-----------------------------|-------------------------------|
| Expenditure | | | | |
| Employees | 939 | 0 | (186) | 753 |
| Premises | 1 | 0 | 0 | 1 |
| Transport | 20 | 0 | (12) | 8 |
| Supplies and Services | 199 | 1 | 3 | 203 |
| Third Party Payments | 0 | 0 | 0 | 0 |
| Transfer Payments | 0 | 0 | 0 | 0 |
| Support Services | 147 | 0 | (16) | 131 |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 |
| GROSS EXPENDITURE | 1,306 | 1 | (211) | 1,096 |
| Income | | | | |
| Government Grants | 0 | 0 | 0 | 0 |
| Other Reimbursements and Contributions | 0 | 0 | 0 | 0 |
| Customer and Client Receipts | 0 | 0 | 0 | 0 |
| Recharges | (1,306) | 0 | 210 | (1,096) |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (1,306) | 0 | 210 | (1,096) |
| NET EXPENDITURE | 0 | 1 | (1) | 0 |

Other variations are analysed as follows:

| Major Items | £000 | fte |
|-----------------------------|------------|--------------|
| Savings | (70) | (1.6) |
| Overheads adjustments | 194 | |
| Technical adjustments | 25 | |
| Use of Reserves adjustments | (150) | (2.0) |
| TOTAL | (1) | (3.6) |



2016/2017 ESTIMATES

COMMUNITY AND HOUSING DEPARTMENT

SUMMARY: COMMUNITY AND HOUSING

Number of FTE Staff
 Number of FTE PCT TUPE staff
 Number of Fixed Term contract
Total FTE

| 2015/16 | 2016/17 |
|----------------|----------------|
| 466.32 | 394.33 |
| 22.74 | 22.18 |
| 2.00 | 2.00 |
| 491.06 | 418.51 |

SERVICE AREA ANALYSIS

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|------------------------|---|---------------------------|--------------------------------------|--------------------------------------|
| Adult Social Care | 55,678 | 227 | (4,889) | 51,016 |
| Libraries and Heritage | 3,089 | 4 | (229) | 2,864 |
| Merton Adult Education | 80 | 3 | (151) | (68) |
| Housing General Fund | 2,151 | 8 | (149) | 2,010 |
| Senior Management | 402 | 1 | (7) | 396 |
| NET EXPENDITURE | 61,400 | 243 | (5,425) | 56,218 |

COMMUNITY AND HOUSING DEPARTMENT

Total

The department includes Adult Social Care, Housing, Libraries and Merton Adult Education.

FULL TIME EQUIVALENTS

| | 2015/16 | 2016/17 |
|-------------------------------|---------------|---------------|
| Number of FTE Staff | 466.32 | 394.33 |
| Number of FTE PCT TUPE staff | 22.74 | 22.18 |
| Number of Fixed Term contract | 2.00 | 2.00 |
| Total FTE | 491.06 | 418.51 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 19,019 | 2 | (1,970) | 17,051 |
| Premises | 978 | 5 | (12) | 971 |
| Transport | 1,223 | 4 | 214 | 1,441 |
| Supplies and Services | 6,486 | 19 | (1,373) | 5,132 |
| Third Party Payments | 42,824 | 212 | (1,820) | 41,216 |
| Transfer Payments | 9,855 | 1 | 156 | 10,012 |
| Support Services | 8,256 | 0 | (596) | 7,660 |
| Depreciation and Impairment Losses | 641 | 0 | (176) | 465 |
| GROSS EXPENDITURE | 89,282 | 243 | (5,577) | 83,948 |
| Income | | | | |
| Government Grants | (4,060) | 0 | (285) | (4,345) |
| Other Reimbursements and Contributions | (8,674) | 0 | (1) | (8,675) |
| Customer and Client Receipts | (11,903) | 0 | 153 | (11,750) |
| Interest | 0 | 0 | 0 | 0 |
| Recharges | (3,245) | 0 | 285 | (2,960) |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (27,882) | 0 | 152 | (27,730) |
| NET EXPENDITURE | 61,400 | 243 | (5,425) | 56,218 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|-------------------------------|----------------|----------------|
| Savings | (5,379) | (61.97) |
| Growth | 212 | 0 |
| Overheads adjustments | (311) | 0 |
| Depreciation adjustments | (175) | 0 |
| Rebasing of Income | 0 | 0 |
| Technical adjustments | 54 | 0 |
| Transfers between departments | 266 | 0 |
| Grants | 83 | 0 |
| Other | 295 | 0 |
| Use of Reserves Adjustment | (470) | 0.00 |
| TOTAL | (5,425) | (61.97) |

COMMUNITY AND HOUSING DEPARTMENT

Adult Education

Provides high quality learning and training needs of Merton communities for ages 16-65. Funded by LSC, MAE is able to support financially qualifying learners and or offer free courses. Services are provided through two main town centres Whatley Avenue, Wimbledon's Marlborough hall, and four neighbourhood centres, Cobham Court, Mitham's Canons house, Pollards Hill and Morden libraries. (Cabinet have approved decision to move the Adult Education model to a Commissioning model)

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of Fixed Term contract

Total FTE

| 2015/16 | 2016/17 |
|--------------|--------------|
| 27.29 | 24.26 |
| 0.00 | 0.00 |
| 27.29 | 24.26 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 | | Other | 2016/17 |
|--|----------------|-----------|--------------|----------------|
| | Original | Inflation | Variations | Estimate |
| | £000 | £000 | £000 | £000 |
| Expenditure | | | | |
| Employees | 1,891 | 0 | (479) | 1,412 |
| Premises | 166 | 1 | (1) | 166 |
| Transport | 4 | 0 | (1) | 3 |
| Supplies and Services | 350 | 2 | 0 | 352 |
| Third Party Payments | 0 | 0 | 0 | 0 |
| Transfer Payments | 0 | 0 | 0 | 0 |
| Support Services | 335 | 0 | (156) | 179 |
| Depreciation and Impairment Losses | 92 | 0 | (6) | 86 |
| GROSS EXPENDITURE | 2,838 | 3 | (643) | 2,198 |
| Income | | | | |
| Government Grants | (1,955) | 0 | 492 | (1,463) |
| Other Reimbursements and Contributions | 0 | 0 | 0 | 0 |
| Customer and Client Receipts | (803) | 0 | 0 | (803) |
| Interest | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (2,758) | 0 | 492 | (2,266) |
| NET EXPENDITURE | 80 | 3 | (151) | (68) |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|-------------------------------|--------------|---------------|
| Savings | (8) | (0.50) |
| Growth | 0 | |
| Overheads adjustments | (156) | |
| Depreciation adjustments | (6) | |
| Rebasing of Income | 0 | |
| Technical adjustments | 0 | |
| Transfers between departments | (1) | |
| Grants | 0 | |
| Other | 20 | |
| Use of Reserves Adjustment | 0 | |
| TOTAL | (151) | (0.50) |

COMMUNITY AND HOUSING DEPARTMENT

Library & Heritage Services

Services are provided through three main town centre libraries, Mitcham, Morden, Wimbledon and four neighbourhood libraries, Donald Hope, Pollards Hill, Raynes Park and West Barnes. Additional services available are home visits and school services. Also available is the Heritage Service located at Morden Library.

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|--------------|--------------|
| 45.71 | 42.56 |
| 1.00 | 1.00 |
| 46.71 | 43.56 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 1,325 | 0 | 23 | 1,348 |
| Premises | 397 | 2 | 4 | 403 |
| Transport | 4 | 0 | 0 | 4 |
| Supplies and Services | 465 | 2 | (18) | 449 |
| Third Party Payments | 28 | 0 | (1) | 27 |
| Transfer Payments | 0 | 0 | 0 | 0 |
| Support Services | 696 | 0 | (8) | 688 |
| Depreciation and Impairment Losses | 490 | 0 | (187) | 303 |
| GROSS EXPENDITURE | 3,405 | 4 | (187) | 3,222 |
| Income | | | | |
| Government Grants | 0 | 0 | 0 | 0 |
| Other Reimbursements and Contributions | 0 | 0 | (42) | (42) |
| Customer and Client Receipts | (316) | 0 | 0 | (316) |
| Interest | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (316) | 0 | (42) | (358) |
| NET EXPENDITURE | 3,089 | 4 | (229) | 2,864 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|-------------------------------|--------------|---------------|
| Savings | (96) | (1.00) |
| Growth | 0 | |
| Overheads adjustments | (8) | |
| Depreciation adjustments | (186) | |
| Rebasing of Income | 0 | |
| Technical adjustments | 42 | |
| Transfers between departments | (5) | |
| Grants | 0 | |
| Other | 24 | |
| Use of Reserves Adjustment | 0 | |
| TOTAL | (229) | (1.00) |

COMMUNITY AND HOUSING DEPARTMENT

Housing General Fund

Housing Needs and Enabling Service

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|--------------|--------------|
| 30.53 | 26.82 |
| 0.00 | 0.00 |
| 30.53 | 26.82 |

SUBJECTIVE ANALYSIS OF ESTIMATES

Expenditure

Employees
Premises
Transport
Supplies and Services
Third Party Payments
Transfer Payments
Support Services
Depreciation and Impairment Losses

| 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|---|-------------------|-----------------------------|-----------------------------|
| 1,222 | 0 | (103) | 1,119 |
| 39 | 0 | 0 | 39 |
| 28 | 0 | 0 | 28 |
| 203 | 1 | 15 | 219 |
| 1,396 | 6 | 860 | 2,262 |
| 304 | 1 | (56) | 249 |
| 251 | 0 | 41 | 292 |
| 0 | 0 | 0 | 0 |
| 3,443 | 8 | 757 | 4,208 |
| Income | | | |
| (1,140) | 0 | (860) | (2,000) |
| (5) | 0 | (15) | (20) |
| (147) | 0 | (31) | (178) |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| (1,292) | 0 | (906) | (2,198) |
| 2,151 | 8 | (149) | 2,010 |

GROSS EXPENDITURE

Income

Government Grants
Other Reimbursements and Contributions
Customer and Client Receipts
Interest
Recharges
Reserves

GROSS INCOME

NET EXPENDITURE

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|-------------------------------|--------------|---------------|
| Savings | (215) | (3.71) |
| Growth | 0 | |
| Overheads adjustments | 41 | |
| Depreciation adjustments | 0 | |
| Rebasing of Income | 0 | |
| Technical adjustments | 3 | |
| Transfers between departments | 0 | |
| Grants | 0 | |
| Other | 22 | |
| Use of Reserves Adjustment | 0 | |
| TOTAL | (149) | (3.71) |

COMMUNITY AND HOUSING DEPARTMENT

Adult Social Care

This area includes Older People, Mental Health, Learning Disability, Physical Disability and sensory Impaired clients. It also includes No Recourse to Public Fund, aids support and substance misuse clients, concessionary fares and clients receiving other services.

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE PCT TUPE staff

Number of Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|---------------|---------------|
| 360.79 | 298.69 |
| 22.74 | 22.18 |
| 1.00 | 1.00 |
| 384.53 | 321.87 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 14,357 | 2 | (1,411) | 12,948 |
| Premises | 376 | 2 | (15) | 363 |
| Transport | 1,187 | 4 | 215 | 1,406 |
| Supplies and Services | 5,332 | 13 | (1,370) | 3,975 |
| Third Party Payments | 41,400 | 206 | (2,679) | 38,927 |
| Transfer Payments | 9,551 | 0 | 212 | 9,763 |
| Support Services | 6,932 | 0 | (466) | 6,466 |
| Depreciation and Impairment Losses | 59 | 0 | 17 | 76 |
| GROSS EXPENDITURE | 79,194 | 227 | (5,497) | 73,924 |
| Income | | | | |
| Government Grants | (965) | 0 | 83 | (882) |
| Other Reimbursements and Contributions | (8,669) | 0 | 56 | (8,613) |
| Customer and Client Receipts | (10,637) | 0 | 184 | (10,453) |
| Interest | 0 | 0 | 0 | 0 |
| Recharges | (3,245) | 0 | 285 | (2,960) |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (23,516) | 0 | 608 | (22,908) |
| NET EXPENDITURE | 55,678 | 227 | (4,889) | 51,016 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|-------------------------------|----------------|----------------|
| Savings | (5,060) | (56.76) |
| Growth | 212 | |
| Overheads adjustments | (181) | |
| Depreciation adjustments | 17 | |
| Rebasing of Income | 0 | |
| Technical adjustments | 9 | |
| Transfers between departments | 272 | |
| Grants | 83 | |
| Other | 229 | |
| Use of Reserves Adjustment | (470) | |
| TOTAL | (4,889) | (56.76) |

COMMUNITY AND HOUSING DEPARTMENT

Senior Management

This area includes the cost of the Director and Executive Assistant

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of Fixed Term Contract

Total FTE

| 2015/16 | 2016/17 |
|-------------|-------------|
| 2.00 | 2.00 |
| 0.00 | 0.00 |
| 2.00 | 2.00 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 224 | 0 | 0 | 224 |
| Premises | 0 | 0 | 0 | 0 |
| Transport | 0 | 0 | 0 | 0 |
| Supplies and Services | 136 | 1 | 0 | 137 |
| Third Party Payments | 0 | 0 | 0 | 0 |
| Transfer Payments | 0 | 0 | 0 | 0 |
| Support Services | 42 | 0 | (7) | 35 |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 |
| GROSS EXPENDITURE | 402 | 1 | (7) | 396 |
| Income | | | | |
| Government Grants | 0 | 0 | 0 | 0 |
| Other Reimbursements and Contributions | 0 | 0 | 0 | 0 |
| Customer and Client Receipts | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | 0 | 0 | 0 | 0 |
| NET EXPENDITURE | 402 | 1 | (7) | 396 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|-------------------------------|------------|-------------|
| Savings | 0 | |
| Growth | 0 | |
| Overheads adjustments | (7) | |
| Depreciation adjustments | 0 | |
| Rebasing of Income | 0 | |
| Technical adjustments | 0 | |
| Transfers between departments | 0 | |
| Grants | 0 | |
| Other | 0 | |
| Use of Reserves Adjustment | | |
| TOTAL | (7) | 0.00 |

COMMUNITY AND HOUSING DEPARTMENT

Public Health

Public Health services comprise• Mandatory Services : Sexual health, NHS health checks, National Child Measurement Programme, Support to Clinical Commissioning groups, and assurance of health emergency preparedness. • Universal Services : Smoking cessation, Drugs and alcohol, Obesity and Health Visiting Services.

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of Fixed Term Contracts

Total FTE

| 2015/16 | 2016/17 |
|--------------|--------------|
| 14.77 | 15.43 |
| 0.00 | 0.00 |
| 14.77 | 15.43 |

SUBJECTIVE ANALYSIS OF ESTIMATES

| | 2015/16 Original Estimate £000 | Inflation £000 | Other Variations £000 | 2016/17 Estimate £000 |
|--|---|-------------------|-----------------------------|-----------------------------|
| Expenditure | | | | |
| Employees | 995 | 0 | 95 | 1,090 |
| Premises | 2 | 0 | 0 | 2 |
| Transport | 2 | 0 | 0 | 2 |
| Supplies and Services | 4,721 | 0 | (971) | 3,750 |
| Third Party Payments | 4,155 | 0 | 2,731 | 6,886 |
| Transfer Payments | 0 | 0 | 0 | 0 |
| Support Services | 172 | 0 | (5) | 167 |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 |
| GROSS EXPENDITURE | 10,047 | 0 | 1,850 | 11,897 |
| Income | | | | |
| Government Grants | (9,236) | 0 | (1,945) | (11,181) |
| Other Reimbursements and Contributions | (491) | 0 | 191 | (300) |
| Customer and Client Receipts | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 |
| Recharges | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 |
| GROSS INCOME | (9,727) | 0 | (1,754) | (11,481) |
| NET EXPENDITURE | 320 | 0 | 96 | 416 |

Other Variations are analysed as follows:

| Major Items | £000 | fte |
|-------------------------------|-----------|-------------|
| Savings | 0 | |
| Growth | 0 | |
| Overheads adjustments | 0 | |
| Depreciation adjustments | 0 | |
| Rebasing of Income | 0 | |
| Technical adjustments | (1,112) | |
| Transfers between departments | 400 | |
| Grants | 1,945 | |
| Other | 16 | |
| Use of Reserves Adjustment | (1,153) | |
| TOTAL | 96 | 0.00 |

Standard Subjective Analysis – The Key

Introduction

The subjective analysis is the analysis of income and expenditure that is applicable to all Best Value reporting requirements for all accounting periods from 1 April 2008.

We use a set standard subjective analysis for a number of reasons:-

- The subjective analysis is a CIPFA recommended structure.
- It minimises the reporting requirements for Government statistical reporting.
- It provides information in a multi dimensional format for Best Value
- It improves consistency and therefore helps Authorities to make effective comparisons for Best Value and other financial requirements
- A subjective Analysis provides further information that is useful for benchmarking analysis.
- For analysing costs in reviews.

Glossary of the standard Subjective analysis

Details of Expenditure groups and what is included:

- 1** Employees: This group includes the costs of employee expenses, both direct and indirect to the Authority.

Direct employee expenses

- Salaries
- Employer's National Insurance contribution
- Employers retirement benefit costs
- Agency Staff
- Employee expenses

Indirect employee expenses

- Relocation
- Interview
- Training
- Advertising
- Severance payments
- Employee - related schemes

- 2** Premises: This group includes expenses directly related to the running of the premises and land.

- Energy costs
- Rent
- Rates
- Water Services
- Fixtures and Fittings
- Apportionment of expenses of operating buildings
- Cleaning and Domestic Supplies
- Grounds maintenance costs
- Premises Insurance
- Contribution to premises - related provisions.

- 3** Transport: This group includes all costs associated with the provision, hire or use of transport, including travelling allowances and home to school transport..

Direct Transport costs

- Repair and maintenance, running costs and contributions to provisions in respect of vehicles.
- Repairs and maintenance of (e.g.) roads included in this heading, but should be included in the relevant subjective headings (such as staff costs, supplies and services etc),

- This could include the write-off in the year of any assets not deemed material by the authority's capital accounting policies i.e. below de minimis thresholds set).
- Contract hire and operating leases
- Public Transport
- Staff Travelling expenses
- Car allowances
- Contribution to transport related provisions

4 Supplies and Services: This group includes all direct supplies and service expenditure to the authority.

- Equipment, furniture and materials
- Catering Services
- Communications and computing includes expenses
- Grants and subscriptions
- Private Finance Initiatives and Public Private Partnership schemes.
- Contributions to provisions
- Miscellaneous expenses

5 Third Party Payments: Independent units within the council; included services defined as category (a) to (e) in Appendix D of BVACOP

- Joint Authorities
- Other Local authorities
- Health authorities
- Government departments
- Voluntary associations
- Other establishments
- Private contractors
- Other agencies
- Debit resulting from soft loans

6 Transfer Payments: This includes the cost of payments to individuals for which no goods or services are received in return by the local authority.

Four sub-groups are suggested: However, this list is not exhaustive.

- Schoolchildren and students
- Adult Social Services clients
- Housing benefits
- Debit resulting from soft loans

7 Support Services: Charges for services that support the provision of services to the public.

- Finance
- IT

- Human Resources
- Property Management /Office Accommodation
- Legal services (not included in the definition of Corporate and democratic Core)
- Procurement Services
- Corporate Services not included in the definition of Corporate and democratic Core)
- Transport Functions

8 Depreciation and Impairment losses: This provides the subjective analysis that will record the revenue impact of capital items in the services revenue accounts for the authority,

9 Income: This group included all income received by the services from external users or by way of charges or recharges to internal users.

Government Grants

- Specific and special government grants

Other Reimbursements and contributions

- Revenue Income received to finance a function/project jointly or severally undertaken with other bodies.
- Contributions from other local authorities.
- Value of costs recharged to outside bodies including other committees.

Customer and Client Receipts

- Sales products or materials, data technology or surplus products.
- Fee and charges for services, use of facilities, admissions and lettings
- Rents, tithes, acknowledgements. way leaves and other land and property-based charges of a non-casual user.

Interest

Recharges

- Value of costs recharged to internal users

Reserves

- All credits resulting from soft loans should be included in this subjective (as a corporate entry).

Risk Analysis for General Fund

- The Council's draft budget for 2016/17, has been analysed to identify key areas of risk. Costs that are regarded as fixed have been disregarded along with Schools' budgets.

| | £m |
|--|--------------|
| Employees | 90.8 |
| Premises Related Expenditure | 8.4 |
| Transport Related Expenditure | 14.6 |
| Supplies and Services | 38.3 |
| Third Party Payments | 81.4 |
| Transfer Payments | 104.1 |
| Support Services | 30.4 |
| Depreciation and Impairment Costs | 12.5 |
| Cost of Borrowing | 13.3 |
| Pension Fund | 4.2 |
| Contingency | 1.5 |
| Corporate Provisions | 4.9 |
| Incomes | |
| Government Grants | 103.2 |
| Other Grants, Reimbursements and Contributions | 22.6 |
| Customer and Client Receipts | 60.9 |
| Interest | 2.5 |
| Recharges | 28.5 |
| Balances | 0.2 |
| Asset Rentals: Depreciation & Impairment | 12.5 |
| Overall Total | 634.8 |

- In addition the savings proposals for 2016-20 have been assessed in terms of deliverable risk. The level of deliverable risk is:

| Risk Rating | New 2016/17 £000 | New 2017/18 £000 | New 2018/19 £000 | Previous 2016-20 £000 | Total 2016/20 £000 |
|--------------|------------------|------------------|------------------|-----------------------|--------------------|
| Low | 0 | 1,238 | 788 | 6,414 | 8,440 |
| Medium | 0 | 2,269 | 1,221 | 8,692 | 12,182 |
| High | 200 | 350 | 1,446 | 6,937 | 8,933 |
| Total | 200 | 3,857 | 3,455 | 22,043 | 29,555 |

- Using the data available the levels of risk for the key areas have been assessed as shown in the following table:

| | £m | Min % | Mid % | Max % |
|--|-------|--------|--------|--------|
| Employees | 90.8 | 0.25 | 0.50 | 0.75 |
| Premises Related Expenditure | 8.4 | 1.50 | 2.50 | 3.50 |
| Transport Related Expenditure | 14.6 | 2.00 | 3.00 | 4.00 |
| Supplies and Services | 38.3 | 1.50 | 2.50 | 3.50 |
| Third Party Payments | 81.4 | 3.50 | 5.50 | 7.50 |
| Transfer Payments | 104.1 | 3.00 | 4.00 | 5.00 |
| Incomes | | | | |
| Government Grants | 103.2 | 1.00 | 2.00 | 3.00 |
| Other Grants, Reimbursements and Contributions | 22.6 | 1.00 | 2.00 | 3.00 |
| Customer and Client Receipts | 60.9 | 1.50 | 2.50 | 3.50 |
| Savings | | | | |
| Low Deliverability Risk | 8.4 | 1.50 | | |
| Medium Deliverability Risk | 12.2 | | 3.00 | |
| High Deliverability Risk | 8.9 | | | 7.50 |
| Safety Net Threshold | 2.5 | 100.00 | 100.00 | 100.00 |

4. Applying the risk levels in the table above produces the following level of addressed risk:

| | £m | Min £m | Mid £m | Max £m |
|--|-------|--------|--------|--------|
| Employees | 90.8 | 0.23 | 0.45 | 0.68 |
| Premises Related Expenditure | 8.4 | 0.13 | 0.21 | 0.29 |
| Transport Related Expenditure | 14.6 | 0.29 | 0.44 | 0.58 |
| Supplies and Services - DSG | 38.3 | 0.57 | 0.96 | 1.34 |
| Third Party Payments | 81.4 | 2.85 | 4.48 | 6.11 |
| Transfer Payments | 104.1 | 3.12 | 4.16 | 5.21 |
| Incomes | | | | |
| Government Grants | 103.2 | 1.03 | 2.06 | 3.10 |
| Other Grants, Reimbursements and Contributions | 22.6 | 0.23 | 0.45 | 0.68 |
| Customer and Client Receipts | 60.9 | 0.91 | 1.52 | 2.13 |
| Savings | | | | |
| Low Deliverability Risk | 8.4 | 0.13 | | |
| Medium Deliverability Risk | 12.2 | | 0.37 | |
| High Deliverability Risk | 8.9 | | | 0.67 |
| Safety Net Threshold | 2.5 | 2.50 | 2.50 | 2.50 |
| Total | | 12.01 | 17.59 | 23.29 |

| | |
|---|--|
| What are the proposals being assessed? | Proposed budget savings CH54, CH58 and CH59 – staff reductions |
| Which Department/ Division has the responsibility for this? | Community and Housing, Adult Social Care |

| Stage 1: Overview | |
|--|--|
| Name and job title of lead officer | Andy Ottaway-Searle, Head of Direct Provision |
| 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>To deliver required savings and to mitigate the impact through changed processes and structures.</p> <p>The aim and desired outcome of the proposal is to achieve the proposed budget savings in a way that the service continues to meet its statutory duties and minimises adverse impact on service users, taking in to account previous budget savings and the cumulative effect on service delivery. The Adult Social Care Target Operating Model (TOM) is committed to service transformation, through efficient processes, through promoting the independence of individuals and reducing reliance on council funded services, and through utilising the approach around the Use of Resources Framework of Prevention; Recovery; Long term support; Process; Partnership; and Contributions.</p> <p>However, there could be reduced / delayed services and it may lead to increased waiting times for service users, reduced capacity to monitor quality within provider services, and reduced capacity to undertake assessments and reviews which would have a direct implication on the ability to effectively promote independence. The Adult Social Care TOM commitment to flexible and mobile working and to improve assessment and care management processes should enable any risks to be partly mitigated.</p> |
| 2. How does this contribute to the council's corporate priorities? | The Adult Social Care Service plan and TOM contribute to the council's overall priorities and will ensure that the savings targets are achieved in line with the corporate Business Plan and the Medium Term Financial Strategy. It is also in line with the July principles, adopted in 2011 by councillors, which sets out guiding strategic priorities and principles, where the order of priority services should be to continue to provide everything which is statutory and maintain services, within limits, to the vulnerable and elderly, with the council being an enabler, working with partners to provide services. |
| 3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc. | Staff, service users, carers, partners and providers will, or may, be affected. |
| 4. Is the responsibility shared with | HR input will be required. |

| | |
|--|--|
| another department, authority or organisation? If so, who are the partners and who has overall responsibility? | |
|--|--|

Stage 2: Collecting evidence/ data

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

Staffing structure – 338.97 full time equivalent staff budgeted for 2016/17 – this includes all adult social care staff, including residential homes and day centres.

Current service users - at the end of 2014/15 there were 4,095 service users receiving long term support with other service users receiving temporary support. Service users include older people, people with physical disabilities, learning disabilities and mental health issues. We consider trends from data about our service users. For example trend data shows that we have continued to meet our statutory responsibilities whilst slightly reducing both overall numbers of service users and the overall level of support packages being received, through following a promoting independence approach.

Feedback from the consultation exercise – between 23 October until 7 December 2015 a consultation exercise was undertaken to get the views of those of those people affected by all of the adult social care savings proposals for 2016/17. A detailed report with the feedback from the consultation has been produced and submitted for consideration, in conjunction with this EA, at Healthier Communities and Older People Scrutiny on 12 January 2016 and Cabinet on 15 February 2016. Two staff consultation events were held with 83 staff attending. Feedback was also received from service users in response to the consultation, with 129 responses to the questionnaire.

National context –benchmarking data, National Audit Office 'Adult Social Care in England: Overview', Barker Commission 'The Future of Health and Social Care in England' (initiated by the Kings Fund) and Local Government Association 'Adult Social Care Efficiency Programme'. Best practice research and reports with ADASS and other national and government groups. Benchmarking data shows that overall Merton spends less per head on adult social care than the average for its comparator groups, and has a more targeted service on fewer people than average. Further information is available in Appendix 1 of the consultation report referred to above.

Operational level – process review of Assessment and Hospital teams undertaken and high level costed customer journey mapping undertaken in 2015, showing potential for efficiencies. The ASC TOM takes account of the potential increase in service demand, with an emphasis on strengthening preventative services including initial contact / triaging of service users, signposting and referring service users to other agencies. Performance data for our commissioned and in-house services including contract monitoring reports and demographic data. The functionality of Mosaic (replacement social care IT system) and the expected benefits of the flexible working programme. The Joint Strategic Needs Assessment (www.merton.gov.uk/health-social-care/publichealth/jsna) and the Local Account (www.merton.gov.uk/health-social-care/adult-social-care/asc-plans-performance/asc-performance).

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 | | ✓ | ✓ | | The consultation has identified that staff and service users have concerns and anxieties about the proposal – see the consultation report for full details. There is a potential impact on staff some of whom are from designated equality groups. There is potentially a negative impact on the health and wellbeing of service users and carers if the alternatives put in place do not fully meet assessed eligible needs. |
| Disability | | ✓ | ✓ | | As above. |
| Gender Reassignment | | ✓ | | ✓ | N/A |
| Marriage and Civil Partnership | | ✓ | | ✓ | N/A |
| Pregnancy and Maternity | | ✓ | | ✓ | N/A |
| Race | | ✓ | ✓ | | As above. |
| Religion/ belief | | ✓ | | ✓ | N/A |
| Sex (Gender) | | ✓ | ✓ | | More women will be affected by the proposed savings. |
| Sexual orientation | | ✓ | | ✓ | N/A |
| Socio-economic status | | ✓ | ✓ | | As per the Age category. |

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

| | |
|--|--|
| Negative impact / gap in information identified in the Equality Analysis | Some staff will be made redundant. Officers initially identified that there could be a chance that some service users may feel the alternative service does not meet their needs, and that some service users will experience a reduced level of service. The consultation has identified other areas where service users feel there will be a negative impact (see consultation report for full details). |
|--|--|

| | |
|--|---|
| Action required to mitigate | <p>The outcome of the EA has identified some potential for negative impact and it may not be possible to mitigate this fully. However, the following actions will be put in place.</p> <p>Clear communication will be undertaken with staff. The proposed staffing structure is currently out to consultation with staff. The Framework for Managing Organisational Change will be followed. This will ensure the fair treatment of staff. Compulsory redundancies will be mitigated via inviting staff to apply for voluntary severance and examining non-staffing cost reductions and the use of non-core staff e.g. agency staff, where appropriate. The service has not been filling posts on a substantive basis for many months in order to minimise redundancies for existing staff. Every effort will be made to redeploy displaced staff to suitable alternative positions in the council. Staff will receive individual HR support for this. Where required competitive interviews will be held as the method for implementing redundancy selection. Support for staff engaged in competitive interviews will be offered via job application and interview skills training via staff development. By June 2016.</p> <p>It is intended that the new proposed structure, combined with changed processes, will lead to greater efficiencies.</p> <p>The implementation of Mosaic, the replacement social care IT system, is designed to make data inputting easier and reduce inputting time, to enable continued efficiency savings. Improving service delivery by reducing administration tasks, allowing staff to focus on service delivery. By April 2016.</p> <p>The flexible working programme will enable staff to work more productively and exploit technology to improve service delivery. Ongoing.</p> <p>Merton Council has an established working relationship with the voluntary sector in providing a range of services on behalf of the council. Therefore, it is expected that through the Ageing Well grant, the voluntary sector will be able to provide suitable alternatives in many cases. Regular review meetings will be in place to monitor service provision to ensure the potential for any negative impact has been removed. On-going.</p> <p>Customer satisfaction will continue to be monitored annually to ensure the current satisfaction levels for 2013/14 and 2014/15 of 63.3% are maintained and where possible improved.</p> |
| How will you know this is achieved? e.g. performance measure / target | Revised staffing structure and service delivery model. National performance indicators (ASCOF) and local performance monitoring. Examples are waiting times for assessment following first contact, how long assessments take to be completed, how often service users have their support plans reviewed, and activity levels of and within teams. |
| By when | June 2016 |
| Existing or additional resources? | Existing |
| Lead Officer | Andy Ottaway-Searle, Head of Direct Provision |
| Action added to divisional / team plan? | Included in the Adult Social care re-design programme |

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 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.

OUTCOME 4

☐

The EA shows actual or potential unlawful discrimination. Stop and rethink your proposals.

Stage 5: Sign off by Director/ Head of Service

| | | | |
|---|---|--|----------------|
| Assessment completed by | Andy Ottaway-Searle, Head of Direct Provision | Signature: Andy Ottaway-Searle, Head of Direct Provision | Date: 22.12.15 |
| Improvement action plan signed off by Director/ Head of Service | Simon Williams, Director of Community and Housing | Signature: Simon Williams | Date: 29.12.15 |

Equality Analysis

| | |
|---|---|
| What are the proposals being assessed? | Proposed budget saving CH60 – Decommission the South Thames Crossroads Caring for Carers contract |
| Which Department/ Division has the responsibility for this? | Community and Housing, Adult Social Care |

| Stage 1: Overview | |
|--|---|
| Name and job title of lead officer | Andy Ottaway-Searle, Head of Direct Provision |
| 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 aim and desired outcome of the proposal is to achieve the required budget savings in a way that the service continues to meet its statutory duties and minimises adverse impact on service users, taking in to account previous budget savings and the cumulative effect on service delivery. It is intended to do this using an approach which promotes independence and reduces reliance on council funded services, utilising the approach around the Use of Resources Framework of Prevention; Recovery; Long term support; Process; Partnership; and Contributions. This proposal supports the Adult Social Care commissioning and procurement plan and the Target Operating Model (TOM) commitment of service transformation, by decommissioning the South Thames Crossroads Caring for Carers contract and providing an alternative service through domiciliary care services, Direct payments and commissioned holistic carers and support from the voluntary sector. |
| 2. How does this contribute to the council's corporate priorities? | The Adult Social Care Service plan and TOM contribute to the council's overall priorities and will ensure that the savings targets are achieved in line with the corporate Business Plan and the Medium Term Financial Strategy. It is also in line with the July principles, adopted in 2011 by councillors, which sets out guiding strategic priorities and principles, where the order of priority services should be to continue to provide everything which is statutory and maintain services, within limits, to the vulnerable and elderly, with the council being an enabler, working with partners to provide services. |
| 3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc. | Service users and carers. The external provider South Thames Crossroads and its staff. |
| 4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility? | N/A |

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).

Current service users - there are currently 72 service users, aged between 22 and 97 years of age. The ethnicity data shows 49% White British (35) and the rest of the service users from Asian British - Indian (3), Asian / British – Pakistani (8), Asian / British – other Asian (2), Black / British – African (2), Black / British – Caribbean (9), Black / British – other black (2), Mixed White / Asian (1), Mixed White / Black Caribbean (1), other ethnic group (3), White other (5), White Irish (1) backgrounds.

Feedback from the consultation exercise – between 23 October until 7 December 2015 a consultation exercise was undertaken to get the views of those people affected by all of the adult social care savings proposals. A detailed report with the feedback from the consultation has been produced and submitted for consideration, in conjunction with this EA, at Healthier Communities and Older People Scrutiny on 12 January 2016 and Cabinet on 15 February 2016. Specific feedback was received from the current service provider of the contract, seven individual open responses via email and letter from service users and also through targeted focus groups.

National context – the National Carers Strategy of 2008 sets out the national vision for recognising and valuing carers with support tailored to meet individuals' needs. National policy has focused on increasing choice for all adult social care users, including carers. The current Merton Service is a one size fits all policy with very limited degrees of choice. The current service delivery model is not mandatory, however the council has a duty to offer support to eligible carers and to work towards achieving the national vision. The 2011 census revealed that there were approximately 5.8 million people providing unpaid care in England and Wales - just over one tenth of the population (ONS 2013).

Operational level – the carers assessments for the current service users, the estimated number of carers in Merton (approximately 17,000, with nearly 600 known young carers), the cost of the service, monitoring reports from South Thames Crossroads (quarterly with details of support provided by customer group (older people, mental health and all other adults), ethnicity, age and gender) and reviewing actual and potential alternative ways to support carers e.g. personal budgets and the holistic carers support service from the voluntary sector.

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 | | ✓ | ✓ | | The consultation has identified that service users have concerns and anxieties about the proposal – see the consultation report for full details. There is a potentially negative impact if alternatives do not fully meet needs. |
| Disability | | ✓ | ✓ | | |
| Gender Reassignment | | ✓ | | ✓ | N/A |
| Marriage and Civil Partnership | | ✓ | | ✓ | N/A |
| Pregnancy and Maternity | | ✓ | | ✓ | N/A |
| Race | | ✓ | | ✓ | N/A |
| Religion/ belief | | ✓ | | ✓ | N/A |
| Sex (Gender) | | ✓ | | ✓ | N/A |
| Sexual orientation | | ✓ | | ✓ | N/A |
| Socio-economic status | | ✓ | ✓ | | As above. |

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

| | |
|--|---|
| Negative impact / gap in information identified in the Equality Analysis | Officers initially identified that there could be a chance that some service users may feel the alternative service does not meet their needs, and that some service users will experience a reduced level of service. The consultation has identified other areas where service users feel there will be a negative impact (see consultation report for full details). |
| Action required to mitigate | <p>The outcome of the EA has identified some potential for negative impact and it may not be possible to mitigate this fully. However, the following actions will be put in place.</p> <p>Clear communication will be undertaken and all proposed changes to carers support will be subject to a review / re-assessment process which is based on individual need and will be reviewed before the current contract ends. Where carers are assessed as requiring a service they will receive personalised support including personal budgets with which they can choose the service that best meets their needs. Carers will be supported with</p> |

| | |
|---|--|
| | <p>breaks where appropriate, with a domiciliary care service, direct payment or a holistic carers support service from the voluntary sector. The voluntary sector and community groups have been invited to apply for a grant under our Ageing Well programme. By March 2016.</p> <p>Merton Council has an established working relationship with the voluntary sector in providing a range of services on behalf of the council. Therefore, it is expected that through the Ageing Well grant, the voluntary sector will be able to provide suitable alternatives in many cases. Regular review meetings will be in place to monitor service provision to ensure the potential for any negative impact has been removed. On-going.</p> <p>Training for staff on outcome based support planning. By March 2016.</p> <p>Continued fair allocation of resources via resource panels. On-going.</p> <p>Customer satisfaction will continue to be monitored annually to ensure the current satisfaction levels for 2013/14 and 2014/15 of 63.3% are maintained and where possible improved.</p> |
| How will you know this is achieved? e.g. performance measure / target | Local performance monitoring of alternative service take-up and effectiveness. Implementation of Ageing Well programme. |
| By when | March 2017 |
| Existing or additional resources? | Existing |
| Lead Officer | Andy Ottaway-Searle |
| Action added to divisional / team plan? | Included in the Adult Social care re-design programme. |

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 4: Conclusion of the Equality Analysis

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

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.

OUTCOME 4

☐

The EA shows actual or potential unlawful discrimination. Stop and rethink your proposals.

Stage 5: Sign off by Director/ Head of Service

| | | | |
|---|---|--------------------------------|----------------|
| Assessment completed by | Andy Ottaway-Searle, Head of Direct Provision | Signature: Andy Ottaway-Searle | Date: 22.12.15 |
| Improvement action plan signed off by Director/ Head of Service | Simon Williams, Director of Community and Housing | Signature: Simon Williams | Date: 29.12.15 |

Equality Analysis

| | |
|---|--|
| What are the proposals being assessed? | Proposed budget saving CH61 – Decommission the Sodexo Meals on Wheels contract |
| Which Department/ Division has the responsibility for this? | Community and Housing, Adult Social Care |

| Stage 1: Overview | |
|--|---|
| Name and job title of lead officer | Andy Ottaway-Searle, Head of Direct Provision |
| 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 aim and desired outcome is to achieve the proposed budget savings in a way that the service continues to meet its statutory duties and minimises adverse impact on service users, taking in to account previous budget savings and the cumulative effect on service delivery. It is intended to do this using an approach which promotes independence and reduces reliance on council funded services, utilising the approach around the Use of Resources Framework of Prevention; Recovery; Long term support; Process; Partnership; and Contributions. This proposal supports the Adult Social Care commissioning and procurement plan and the Target Operating Model (TOM) commitment of service transformation, by providing an alternative service through embedding support within the community, neighbourhood and voluntary support infrastructure. |
| 2. How does this contribute to the council's corporate priorities? | The Adult Social Care Service plan and TOM contribute to the council's overall priorities and will ensure that the savings targets are achieved in line with the corporate Business Plan and the Medium Term Financial Strategy. It is also in line with the July principles, adopted in 2011 by councillors, which sets out guiding strategic priorities and principles, where the order of priority services should be to continue to provide everything which is statutory and maintain services, within limits, to the vulnerable and elderly, with the council being an enabler, working with partners to provide services. |
| 3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc. | Service users. Carers. External provider Sodexo and its staff. |
| 4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility? | N/A |

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).

Current service users – for the meals on wheels service, current figures show there are 177 users, ranging in age from 50 – 103 years old. The ethnicity data shows 75% White British (132) and the rest of the service users from Asian British – Indian (5), Asian / British – other Asian (4), Black / British – African (3), Black / British – Caribbean (6), Black / British – other black (1), Chinese (1), other ethnic group (5), White other (8), White Irish (4) backgrounds and Declined to say or no data recorded (8).

Feedback from the consultation exercise – between 23 October until 7 December 2015 a consultation exercise was undertaken to get the views of those people affected by all of the adult social care savings proposals for 2016/17. A detailed report with the feedback from the consultation has been produced and submitted for consideration, in conjunction with this EA, at Healthier Communities and Older People Scrutiny on 12 January 2016 and Cabinet on 15 February 2016. Specific feedback was received from the current service provider of the meals on wheels contract, 18 individual open responses via email and letter from, or on behalf of, meals on wheels service users and also through targeted focus groups.

National context – there is no statutory requirement for the council to provide a meal delivery service. Access to prepared meals is widely available through specialist providers, supermarkets and local shops and telephone and internet access has enabled telephone and on-line ordering enabling service users to access meals themselves or via their own support network. However, support will continue to be provided for those that need help to order prepared meals and those that need help in heating and eating a prepared meal. Many other councils have decommissioned the meals on wheels service.

Operational level – quarterly monitoring reports from Sodexo, with number of meals delivered and type of food e.g. kosher, halal etc. and includes details of any complaints (non delivery, quality of meal etc.).

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)?

APPENDIX 11

| 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 | | ✓ | ✓ | | The consultation has identified that service users have concerns and anxieties about the proposal – see the consultation report for full details. There may be a negative impact on the health and wellbeing of service users if the alternatives do not fully meet assessed needs. |
| Disability | | ✓ | ✓ | | As above. |
| Gender Reassignment | | ✓ | | ✓ | N/A |
| Marriage and Civil Partnership | | ✓ | | ✓ | N/A |
| Pregnancy and Maternity | | ✓ | | ✓ | N/A |
| Race | | ✓ | | ✓ | N/A |
| Religion/ belief | | ✓ | | ✓ | N/A |
| Sex (Gender) | | ✓ | | ✓ | N/A |
| Sexual orientation | | ✓ | | ✓ | N/A |
| Socio-economic status | | ✓ | ✓ | | As above. |

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 | Officers initially identified that there could be a chance that some service users may feel the alternative service does not meet their needs, and that some service users will experience a reduced level of service. The consultation has identified other areas where service users feel there will be a negative impact (see consultation report for full details). |
| Action required to mitigate | <p>The outcome of the EA has identified some potential for negative impact and it may not be possible to mitigate this fully. However, the following actions will be put in place.</p> <p>Clear communication will be undertaken and all current recipients of meals on wheels will be contacted to review their eligible needs and identify how their needs will be met under the new model of service provision, through a range of options including working with the voluntary sector and community groups, ensuring service users who need help to order prepared meals and those that need help in feeding themselves will continue to receive support. By July 2016.</p> <p>Alternative ways of accessing prepared meals or accessing telephone / online prepared meal delivery services will be publicised to service users. Merton Council has an established working relationship with the voluntary sector in providing a range of services on behalf of the council. Therefore, it is expected that through the Ageing</p> |

| | |
|--|--|
| | Well grant, the voluntary sector will be able to provide suitable alternatives in many cases. Regular review meetings will be in place to monitor service provision to ensure the potential for any negative impact has been removed. On-going. |
| | Customer satisfaction will continue to be monitored annually to ensure the current satisfaction levels for 2013/14 and 2014/15 of 63.3% are maintained and where possible improved. |
| How will you know this is achieved? e.g. performance measure / target | Implementation of the Ageing Well programme. Local performance monitoring of alternative service take-up and effectiveness. |
| By when | July 2016 |
| Existing or additional resources? | Existing |
| Lead Officer | Andy Ottaway-Searle |
| 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.

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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)

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.

OUTCOME 4

☐

The EA shows actual or potential unlawful discrimination. Stop and rethink your proposals.

Stage 5: Sign off by Director/ Head of Service

| Stage 5: Sign off by Director/ Head of Service | | | |
|---|---|--------------------------------|----------------|
| Assessment completed by | Andy Ottaway-Searle, Head of Direct Provision | Signature: Andy Ottaway-Searle | Date: 22.12.15 |
| Improvement action plan signed off by Director/ Head of Service | Simon Williams, Director of Community and Housing | Signature: Simon Williams | Date: 29.12.15 |

Equality Analysis

| | |
|---|---|
| What are the proposals being assessed? | Budget saving CH63 – Decommission the Imagine Independence service and re-commission peer led day opportunities for people with mental health |
| Which Department/ Division has the responsibility for this? | Community and Housing, Adult Social Care |

| Stage 1: Overview | |
|--|--|
| Name and job title of lead officer | Andy Ottaway-Searle, Head of Direct Provision |
| 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 aim and desired outcome of the proposal is to achieve the required budget savings in a way that the service continues to meet its statutory duties and minimises adverse impact on service users, taking in to account previous budget savings and the cumulative effect on service delivery. It is intended to do this using an approach which promotes the independence of individuals and reduces reliance on council funded services, utilising the approach around the Use of Resources Framework of Prevention; Recovery; Long term support; Process; Partnership; and Contributions. This proposal supports the Adult Social Care commissioning and procurement plan and the Target Operating Model (TOM) commitment of service transformation, by providing an alternative service through the voluntary sector. |
| 2. How does this contribute to the council's corporate priorities? | The Adult Social Care Service plan and TOM contribute to the council's overall priorities and will ensure that the savings targets are achieved in line with the corporate Business Plan and the Medium Term Financial Strategy. It is also in line with the July principles, adopted in 2011 by councillors, which sets out guiding strategic priorities and principles, where the order of priority services should be to continue to provide everything which is statutory and maintain services, within limits, to the vulnerable and elderly, with the council being an enabler, working with partners to provide services. |
| 3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc. | Service users. Carers. External provider Imagine and its staff. |
| 4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility? | N/A |

Stage 2: Collecting evidence/ data

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

Current service users - there are currently approximately 165 service users, for advocacy, employment support, peer support and social inclusion. The service users are vulnerable adults aged 18+, many with mental health issues.

Feedback from the consultation exercise – between 23 October until 7 December 2015 a consultation exercise was undertaken to get the views of those of those people affected by all of the adult social care savings proposals for 2016/17. A detailed report with the feedback from the consultation has been produced and submitted for consideration, in conjunction with this EA, at Healthier Communities and Older People Scrutiny on 12 January 2016 and Cabinet on 15 February 2016. Specific feedback was received from the current service provider of the contract, three individual open responses via email and letter from service users and also through targeted focus groups.

National context – research in to the best way of delivering Peer led support.

Operational level – new research and evidence in the Adult Mental Health Needs Assessment as part of the Joint Strategic Needs Assessment (www.merton.gov.uk/health-social-care/publichealth/jsna) and quarterly monitoring reports from Imagine Independence, detailing a summary of services received e.g. advocacy and number of active and new service users and those that have left the service, details of which organisations referred the service user and service users ethnicity, gender and age.

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/A |
| Disability | | ✓ | ✓ | | The consultation has identified that service users have concerns and anxieties about the proposal – see the consultation report for full details. There is potentially a negative impact on the health and wellbeing of service users and carers if the alternatives put in place do not fully meet assessed eligible needs. |
| Gender Reassignment | | ✓ | | ✓ | N/A |

| | | | | | |
|--------------------------------|--|---|---|---|-----------|
| Marriage and Civil Partnership | | ✓ | | ✓ | N/A |
| Pregnancy and Maternity | | ✓ | | ✓ | N/A |
| Race | | ✓ | | ✓ | N/A |
| Religion/ belief | | ✓ | | ✓ | N/A |
| Sex (Gender) | | ✓ | | ✓ | N/A |
| Sexual orientation | | ✓ | | ✓ | N/A |
| Socio-economic status | | ✓ | ✓ | | As above. |

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

| | |
|--|--|
| Negative impact / gap in information identified in the Equality Analysis | Officers initially identified that there could be a chance that some service users may feel the alternative service does not meet their needs, and that some service users will experience a reduced level of service. The consultation has identified other areas where service users feel there will be a negative impact (see consultation report for full details). |
| Action required to mitigate | <p>The outcome of the EA has identified some potential for negative impact and it may not be possible to mitigate this fully. However, the following actions will be put in place.</p> <p>Work is on-going to finalise the research in to best practice on peer led support and developing the pilot programmes, due to be implemented with effect from April 2016. On-going.</p> <p>Clear communication will be undertaken and all current service users will be contacted to review their needs and identify how their needs will be met under the new model of service provision through a range of options, including working with the voluntary sector and community groups. By March 2016.</p> <p>Merton Council has an established working relationship with the voluntary sector in providing a range of services on behalf of the council. Therefore, ASC will work with the wider voluntary sector to find opportunities for a more generic offer e.g. advocacy, information and advice. Regular review meetings will be in place to monitor service provision to ensure the potential for any negative impact has been removed. On-going.</p> <p>ASC will continue to work closely with the Housing Needs team to ensure the range of accommodation for people with mental health needs should be addressed building on recommendations from the review in 2015. On-going.</p> <p>Customer satisfaction will continue to be monitored annually to ensure the current satisfaction levels for 2013/14 and 2014/15 of 63.3% are maintained and where possible improved.</p> |
| How will you know this is achieved? e.g. performance measure / target | New service commissioned. Local performance monitoring of alternative service take-up. |
| By when | March 2016 |

| | |
|---|---|
| Existing or additional resources? | Existing |
| Lead Officer | Andy Ottaway-Searle |
| Action added to divisional / team plan? | Included in the Adult Social care re-design programme |

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 4: Conclusion of the Equality Analysis

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

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.

OUTCOME 4

☐

The EA shows actual or potential unlawful discrimination. Stop and rethink your proposals.

Stage 5: Sign off by Director/ Head of Service

| | | | |
|---|---|--------------------------------|----------------|
| Assessment completed by | Andy Ottaway-Searle, Head of Direct Provision | Signature: Andy Ottaway-Searle | Date: 22.12.15 |
| Improvement action plan signed off by Director/ Head of Service | Simon Williams, Director of Community and Housing | Signature: Simon Williams | Date: 29.12.15 |

Schools Funding 2016/17

1. Introduction

- 1.1 The Government announced the Dedicated Schools Grant allocation on 17th December 2015. Merton's allocation split over the three blocks is as follows:

| Description | 2016/17 £000 | 2015/16 £000 |
|--|-----------------|-----------------|
| Schools Block | 118,819 | 116,878 |
| Early Years Block | 11,122 | 11,122 |
| High Needs Block | 27,040 | 26,684 |
| Total as at Schools Forum meeting | 156,981 | 154,684 |
| Academy recoupment estimate | (17,272) | (16,501) |
| Final allocation for the year | 139,709 | 138,183 |

- 1.2 A description of the costs included in each funding block is detailed in the sections below.

2. Schools Block

- 2.1 The Schools Block allocation of £118.819m is split into the following areas:

| Description | 2016/17 £000 | 2015/16 £000 |
|------------------------------------|-----------------|-----------------|
| Centrally Retained Items | 393 | 343 |
| September bulge growth requirement | 1,380 | 1,380 |
| Transfers to other blocks | 4,183 | 3,751 |
| Individual School Budgets | 112,863 | 111,404 |
| Total Schools Block | 118,819 | 116,878 |

- 2.2 There are three centrally retained items. These are School Admissions (£269k), the cost of administering Schools Forum (£12k) and the cost of National Copyright Licences negotiated by the DfE (£112k).
- 2.3 The September growth requirement was kept at £1.380m. This is based on supporting Primary schools with £60k and Secondary schools with £80k additional funding per expanding school to increase pupil numbers above their existing published admission number from September.
- 2.4 The EFA does not take account of transfers between DSG blocks at a local level. These transfers require adjustment year-on-year. For 2016/17 the transfer from the schools block is summarised in the next table.

| Description | Schools £000 | Early Years £000 | High Needs £000 |
|---|-------------------------|---------------------------------|--------------------------------|
| Adjustments agreed in previous years | (3,751) | 68 | 3,683 |
| Funding increase in special school and PRU numbers from schools block | (375) | | 375 |
| Increase in ARPs (full year effect) | (89) | | 89 |
| Transfer of sports partnership funding from HNB to MEP | 32 | | (32) |
| Net Transfer | (4,183) | 68 | 4,115 |

(PRU= Pupil Referral Unit; ARP= additionally resourced provision ; HNB= High Needs Block; MEP= Merton Education Partnership)

- 2.5 Both Primary and Secondary schools de-delegated budgets have been set based on the decisions made by the relevant phase representatives at Schools Forum on the 13th October 2015. The total de-delegated budget for 2016/17 is £1.717m. This together with the £111.146m that will be paid over to schools and Academies equals the Individual Schools Budgets of £112.863m.
- 2.6 The table below details the total allocation to de-delegated services as well as the unit cost for each of these services.

| Service | Schools £000 | Unit Cost | Measure |
|--------------------------------------|-------------------------|----------------------|----------------|
| Licences and Subscriptions | 112 | £5.29 | NOR |
| School Meals Subsidy | 19 | £1.21 | NOR |
| Schools in Challenging Circumstances | 294 | £13.87 | NOR |
| Marketing in Schools | 68 | £3.24 | NOR |
| Merton Education Partnership | 130 | £6.14 | NOR |
| Parenting and TU cover | 660 | £31.17 | NOR |
| Refugee Service and EMAG | 200 | £42.01 | EAL |
| Tree work | 45 | £2.13 | NOR |
| Behaviour Support | 189 | £35.34 | Low Att |
| Total budget | 1,717 | | |

(NOR= Number on Roll; EAL factor= English as an Additional Language; Low Att= Lower Attainment factor for low cost, high incidence SEN)

3. School Funding Formula Factors

- 3.1 A summary of the factors used and the total budgets allocated against each factor is set out in the funding proforma which is submitted to the EFA for compliance checks.
- 3.2 We have been able to keep AWPU rates for Primary and Secondary KS3 and KS4 the same for 2016/17 as they were in 2015/16.

| Description | 2016/17 | 2015/16 |
|-----------------------|----------------|----------------|
| Primary | £3,253 | £3,253 |
| Secondary Key Stage 3 | £4,274 | £4,274 |
| Secondary Key Stage 4 | £5,177 | £5,177 |

- 3.3 The Free School Meals factor unit values were kept the same as 2015/16 at £683.52 for Primary and £632.69 for Secondary schools. Through the formula this resulted in a total budget allocation of £2.399m (£2.433m in 2015/16) and £1.521m (£1.550m in 2015/16) for Primary and Secondary schools respectively. The number children attracting this funding has reduced.
- 3.4 The Income Deprivation Affecting Children Index (IDACI) is a subset of the Indices of Multiple Deprivation (IMD). It is an area-based measure which is interpreted as the proportion of families with children under 16 which is income deprived. For 2016/17 the EFA has updated this information to the data published in September 2015. Previous formulas used information published in 2010. This change resulted in less funding being allocated through this factor for schools overall.
- 3.5 We have increased the unit values for 2016/17 to mitigate the effect of some of the reduction. Through the formula this resulted in a total budget allocation of £417k (£467k in 2015/16) and £227k (£267k in 2015/16) for Primary and Secondary schools respectively. The values are the same for both primary and secondary schools as per the table below.

| IDACI Band | 2016/17 | 2015/16 |
|-------------------|----------------|----------------|
| IDACI band 1 | £30 | £20 |
| IDACI band 2 | £50 | £40 |
| IDACI band 3 | £70 | £60 |
| IDACI band 4 | £90 | £80 |
| IDACI band 5 | £100 | £90 |
| IDACI band 6 | £130 | £120 |

- 3.6 The unit value for Looked After Children (LAC) has been kept the same as in 2015/16 at £1,000. The total allocation through this formula for 2016/17 is £72k (£69k in 2015/16)
- 3.7 The English as an Additional Language (EAL) factor unit values were kept the same as the previous year at £376.5 and £906.6 for Primary and Secondary schools respectively. This resulted in a total budget allocation of £1.758m (£1.719m in 2015/16) and £454k (£427k in 2015/16) for Primary and Secondary schools respectively.
- 3.8 Due to the change in the Primary school prior attainment factor, the total budget and unit cost for this factor are adjusted annually. The overall Primary school budget for this factor, which supports Low Cost, High Incidence SEN students, was increased to £3.862m (£3.784m in 2015/16) to account for the increase in student numbers. The total budget for Secondary schools has reduced to £2.919m for 2016/17 (£3.039m for 2015/16). This resulted in unit values of £840.98 (£931.54 in 2015/16) and £1,627.69 (the same as in 2015/16) for Primary and Secondary schools respectively.
- 3.9 The lump sum factor was kept the same as in 2015/16 at £150k and the split site factor was set at £72k (£68k in 2015/16) to account for the increase in salary costs.

- 3.10 The rates factor was increased by £343k to £1.957m (£1.614m in 2015/16) reflecting the expected cost for 2016/17.
- 3.11 The minimum funding guarantee (MFG) floor was set at -1.5% by the DfE. Due to the overall changes in factors, the requirement for MFG increased from £420k in 2015/16 to £478k in 2016/17.
- 3.12 These figures exclude the 6th form funding which still needs to be provided by the EFA and does not form part of the schools funding formula. It also excludes additional resource provision and individual pupil statement funding which forms part of the high needs block and will be reported on separately.
- 3.13 The figures also exclude the bulge class funding which is held centrally and will be paid to schools as part of their monthly advances.
- 3.14 Pupil Premium funding is not included in these figures and estimated figures will be provided separately when schools are informed of their budgets for 2016/17.

4. Early Years Block

- 4.1 The Early Years Block allocation is split into the following areas:

| Description | 2016/17 £000 | 2015/16 £000 |
|--|-----------------|-----------------|
| 3 and 4 year old funding- maintained schools | 5,794 | 5,854 |
| 3 and 4 year old funding- PVIs | 2,722 | 2,500 |
| 2 Year Old Offer | 1,607 | 1,545 |
| Centrally Retained Items | 694 | 679 |
| Contingency | 174 | 413 |
| Pupil Premium | 199 | 199 |
| Transfers between blocks | (68) | (68) |
| Total Early Years Block | 11,122 | 11,122 |

- 4.2 Based on the 2015 calendar year pupil counts, the estimated funding relating to 3 and 4 year old children for Merton maintained schools and PVI settings is expected to be £5.794m and £2.722m respectively for 2016/17. These are indicative budgets and the figures will be updated every term following the actual pupil counts. The formula used to allocate this funding is detailed in section 5.
- 4.3 The funding method for two year olds changed in 2015/16. There is no trajectory funding and the pupil led funding is based on participation rather than eligibility. Based on the 2015 calendar year pupil counts, the estimated funding relating to 2 year old children for Merton PVI settings is expected to be £1.607m for 2016/17. The formula used to allocate this funding is detailed in section 3.
- 4.4 The £694k for centrally retained items includes funding for quality and standards, childcare and some enhanced early intervention services.

- 4.5 The contingency has been reduced to £174k for 2016/17. This is because the funding for SEN requirements has now been agreed and will be paid through the funding formula.
- 4.6 The EFA has introduced an Early Years Pupil Premium from 2015/16. The indicative allocation for Merton is £199k. This is paid to settings and schools after each term's headcount at 0.53 pence per hour. Any underspend on EYPP is expected to be clawed back.
- 4.7 The EFA does not take account of transfers between DSG blocks at a local level. These transfers require adjustment year-on-year. For 2016/17 the transfer to the Early Years block is £68k, the same as in 2015/16.

5. Early Years Funding Formula Factors

- 5.1 Merton's Early Years Funding Formula uses base rates, SEN support and IDACI as factors to calculate allocations. The table below shows the base rates used in the formula.

| Description | 2016/17 Rate £ | 2015/16 Rate £ |
|------------------------------|----------------------|----------------------|
| Schools – Independent | 3.71 | 3.71 |
| Full Day Care | 3.97 | 3.97 |
| Stand alone 15 hour settings | 4.17 | 4.17 |
| Mainstream Schools | 3.68 | 3.68 |
| 2 year olds and Childminders | 5.4 | 5.40 |

- 5.2 IDACI will continue to be used as a measure of deprivation for 2016/17. The unit values remain the same as last year as detailed in the table below.

| Description | 2016/17 Rate £ | 2015/16 Rate £ |
|-------------|----------------------|----------------------|
| Band 1 | 0.15 | 0.15 |
| Band 2 | 0.20 | 0.20 |
| Band 3 | 0.25 | 0.25 |
| Band 4 | 0.30 | 0.30 |
| Band 5 | 0.35 | 0.35 |
| Band 6 | 0.40 | 0.40 |

- 5.3 There is no notional SEN allocation given for children needing support prior to statement, so the SEN Support level with the EYSFF addresses this. Funding levels are:
- SEN Support Level 1a (local offer) £nil
 - SEN Support Level 1b £2.50
 - SEN Support Level 1c £5.26 + 1b
 - EHCP via HNB As per Merton's EY banding

- 5.4 SEN funding levels are allocated via the EYSFF. This ceases when the EHCP is issued and funding is allocated in accordance with the EHCP EY banding through the High Needs Block. EHCP are funded on a pro-rata basis and based on actual hours and number of weeks of attendance. This will ensure SEN funding for children is seamless and on a continuum as they progress through each stage.

6. High Needs Block

6.1 High Needs Block funding

- 6.1.1 The high needs funding system is designed to support a continuum of provision for pupils and students with Special Educational Needs (SEN), learning difficulties and disabilities, from their early years to age 25.
- 6.1.2 In 2013/14, high needs funding was moved to a “place plus” basis. This means that base funding (“place funding”) was given to local authorities to distribute to institutions for them to provide such places on an on-going basis. This was supplemented with “top-up funding” which follows individual pupils and students. The top-up funding provided to local authorities includes funding for central services to support these high cost places.
- 6.1.3 The table on the next page shows how Merton’s High Needs Block funding is allocated.

| Description | 2016/17 £000 | 2015/16 £000 |
|---|-----------------|-----------------|
| Mainstream settings (Individual SEN statements) | 3,666 | 3,666 |
| Special Schools | 7,877 | 7,566 |
| Additional Resource Provision bases | 2,671 | 2,582 |
| Pupil Referral Unit (PRU) | 1,788 | 1,723 |
| Centrally retained High Needs funding for commissioned services | 12,851 | 12,531 |
| Post 16 FE and ISP funding | 2,060 | 2,060 |
| Centrally retained High Needs funding for special schools | 242 | 239 |
| Transfers from other blocks | (4,115) | (3,683) |
| Total Funding | 27,040 | 26,684 |

6.2 Mainstream settings

- 6.2.1 Schools are expected to contribute the first £6,000 of additional educational support for High Needs pupils and students. This additional support is for a provision over and above the standard offer of teaching and learning for all pupils or students in a setting. Pre-16, schools and Academies will continue to receive a clearly identified notional SEN budget from which to make this contribution. Merton will provide this budget for maintained schools while the EFA will provide it for Academies. The notional SEN will comprise three elements as detailed below.

| Formula factor | 2015/16 |
|---|---------|
| Age Weighted Pupil Allowance (AWPU) | 2.5% |
| Deprivation (Free School Meals & IDACI) | 10% |
| Low cost, high incidence SEN (Low Attainment) | 100% |

- 6.2.2 The notional SEN budget should be used to support pupils with low cost, high incidence SEN as well as the first £6,000 support for pupils with statements. This includes provision for Action and Action plus students as classified under the previous funding arrangements.
- 6.2.3 The notional allocation is only a guide and schools are expected to set their budgets in such a way to meet the needs of all their pupils, including those with additional needs, within the resources they receive.
- 6.2.4 Where schools have a high number of SEN students, the allocation to support these pupils through the schools formula might not be sufficient. Funding will be set aside in the High Needs Block to support such schools. If more than 2.5% of a school's NOR are pupils with statements, the excess percentage will be multiplied by the school's NOR and multiplied by £6,000 to calculate additional support for the school.

Example

| | |
|---------------------------------|-------------|
| 9 pupils as a percentage of 186 | 4.84% |
| Less 2.5% threshold | 2.34% |
| 186 x 2.34% | 4.35 pupils |
| 4.35 pupils x £6,000 | £26,100 |

In 2016/17 £322k will be allocated to schools through this mechanism.

- 6.2.5 The NOR will be based on the October count and the numbers of SEN statements will be based on the numbers as per the October SEN statement payment to schools. The number of statements used will exclude pupils funded in special units.
- 6.2.6 Merton's statement funding will remain at the same levels as in 2015/16 and is detailed in the table below.

| Band | Reception onwards | | 2, 3 and 4 year olds | |
|--------|-------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| | 2016/17 | 2015/16 | 2016/17 | 2015/16 |
| Band1 | Part of £6,000 notional SEN funding | Part of £6,000 notional SEN funding | Part of SEN support funding | Part of SEN support funding |
| Band 2 | £5,691 | £5,691 | £5,846 | £5,846 |
| Band 3 | £7,826 | £7,826 | £6,913 | £6,913 |
| Band 4 | £9,961 | £9,961 | £7,981 | £7,981 |
| Band 5 | £12,096 | £12,096 | £9,048 | £9,048 |

6.3 Special Schools

- 6.3.1 Specialist SEN and LDD schools will continue to receive a base level of funding on the basis of an agreed number of planned places at £10,000 per place. Top-up funding above this level will be the same as in 2015/16.
- 6.3.2 Due to the increase in pupil numbers at special schools by 12 to 359, the HNB funding will be increased by £310k to cover the cost pressure of supporting these additional children.
- 6.3.3 The total for specialist SEN and LDD settings includes the school budgets for Cricket Green, Perseid, and Melrose special schools.

6.4 Additional Resource Provision bases

- 6.4.1 Places in special units and resourced provision will attract a base level of funding of £10,000 per place as well as top-up funding. Where the numbers in the base have stayed the same, we have kept the top-up funding at the same rate as 2015/16. Where numbers have increased/decreased, top-up funding has been adjusted as additional funding was added to the base totals equal to band 5 (£12,096) of statement funding as agreed by the SEN manager.
- 6.4.2 There are currently nine ARP bases in Merton. We started funding the ninth base in 2015/16 at Hatfeild primary school. In order to fund the full year provision the overall ARP budget will be increased by £89k to £2.671m.

6.5 Pupil Referral Unit (SMART Centre)

- 6.5.1 The PRU will receive a base level of funding of £10,000 per place. Top-up funding above this level is set at £6,478 which is the same as last year.
- 6.5.2 Due to the increase in pupil numbers by 4 to 109, the HNB funding will be increased by £65k to cover the cost pressure of supporting these additional children.
- 6.5.3 Mainstream schools and Academies have important commissioning responsibilities with regard to pupils of compulsory school age who are placed in Alternative Provision for the purpose of early intervention or as a result of fixed-term exclusion. In such instances, under the new funding arrangements, mainstream schools and Academies will be responsible for paying top-up funding to the AP settings in which they place pupils.
- 6.5.4 Alternative education and medical service provision are also delivered through the SMART Centre.
- 6.5.5 The exclusion process currently involves a deduction of AWP against a national criteria and a local agreement to pay £3,000 per excluded pupil and receive £3,000 for a re-integrated pupil. This agreement is between all secondary maintained schools and academies and will continue in 2016/17.

6.6 Centrally retained funding for commissioned services

- 6.6.1 These services are retained centrally by the Local Authority to deliver direct services or procure services from external providers to ensure the most economic use of resources. The table below details these services.

| Description | 2016/17 £000 | 2015/16 £000 |
|--|-----------------|-----------------|
| Non-Delegated Statements | 8,921 | 8,676 |
| Cost of Merton pupils in other LA maintained schools | 2,069 | 2,069 |
| Cost of other LA children in Merton maintained schools | (1,159) | (1,159) |
| Language and Learning therapy | 635 | 579 |
| Sensory Team | 376 | 371 |
| Virtual School | 361 | 356 |
| SSQ Core Offer | 350 | 346 |
| Behaviour Support | 206 | 209 |
| SEN referral & early help 0-25 team | 206 | 203 |
| Education welfare | 163 | 160 |
| Social Inclusion | 142 | 140 |
| Therapy in Special schools | 112 | 112 |
| Vulnerable Children's Education | 110 | 97 |
| Merton Autism Outreach Service (MAOS) | 100 | 100 |
| Portage | 62 | 62 |
| SEN support | 56 | 56 |
| Independent hospital provision | 50 | 50 |
| Education support for Looked After Children | 50 | 50 |
| Education psychology | 41 | 22 |
| Sports partnership | 0 | 32 |
| Total Cost | 12,851 | 12,531 |

- 6.6.2 The £356k growth received on the HNB is not sufficient to cover the cost pressures. For 2016/17 the increase was used to cover the additional speech and language therapist as outlined in the consultation document as well as increasing the non-delegated statement budgets to address the expected cost pressure on Independent Day school provision.

6.7 Post 16 Further Education (FE) College and Independent Specialist Provider (ISP) funding

- 6.7.1 The funding in this area relates to high level SEN or LDD cost for young people aged over 16 in FE colleges and ISPs. The responsibility for these payments transferred to Local Authorities in September 2013.

6.8 Centrally retained funding for special schools

- 6.8.1 This includes the funding for centrally provided services for the special schools, similar to de-delegated budgets held for the maintained primary and secondary schools. It also includes £207k for prudential borrowing that the Schools Forum agreed at their meeting on 15th October 2007.

6.9 Transfers from other blocks

- 6.9.1 The EFA does not take account of transfers between DSG blocks at a local level. These transfers will therefore require adjustment year-on-year. For 2016-17 the transfer to the high needs block is summarised in the table below.

| Description | Schools £000 | Early Years £000 | High Needs £000 |
|---|-----------------|------------------------|-----------------------|
| Adjustments agreed in previous years | (3,751) | 68 | 3,683 |
| Funding increase in special school and PRU numbers from schools block | (375) | | 375 |
| Increase in ARPs (full year effect) | (89) | | 89 |
| Transfer of sports partnership funding from HNB to MEP | 32 | | (32) |
| Net Transfer | (4,183) | 68 | 4,115 |

7. Schools general

- 7.1 On 31 March 2015 Merton held balances for 50 schools to the value of £7.473m. Of the 50 schools, 3 had deficit balances with a total value of £200k. The other 47 schools had balances ranging from £7k to £1.258m.
- 7.2 For 2015/16, 4 schools submitted deficit balances and the Local Authority is working closely with these schools to review their progress. We are anticipating that 5 to 6 schools will again request deficit budgets for 2016/17, and we will require deficit recovery plans to accompany these requests.

CAPITAL STRATEGY 2016/20

1 Introduction

1.1 Merton's Capital Strategy for 2016-20 has been aligned and integrated with the Business Plan for the period 2016-20. The Business Plan sets out how the Authority's objectives have been shaped by Merton Partnership in the Community Plan. The Community Plan sets out the overall vision and strategic direction of Merton which are embodied into five strategic themes:-

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

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

1.3 The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2016/20 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

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

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

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

2 Planning Infrastructure

2.1 Business Plan 2016-2020

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

2.2 Target Operating Models (TOMs)

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

2.3 Service Plans

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

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

3 Accounting Definitions and Practices

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

4 Corporate and strategic capital expenditure appraisal planning and control

4.1 Capital Programme Board

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

4.1.2 The Terms of Reference of the Board are:

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

4.1.3 The role of the Board is to:

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

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

- 4.1.4 The Board will be accountable to the Corporate Management Team who will receive reports and escalated matters from the Board on a regular basis. CMT will set the strategy and direction, the Capital Programme Board will operationalise this and escalate concerns and ideas. The Board will refer to, and take advice from, the Procurement Board on any proposals and/or decisions that have a procurement dimension. The Board will work closely with the Property and Asset Management Board on any property/asset related proposals.
- 4.1.5 The Board will make agendas and minutes available to the other Governance Boards within 5 working days of the meeting.
- 4.1.6 During the budget process the Director of Corporate Services recommends to cabinet an initial view as to how the Capital Programme should be funded. However, this recommendation will be informed by the Capital Programme Board's consideration of the capital receipts available and the forecast of future property disposals and the final funding during the closure of accounts will depend on the precise financial position. At this stage it is intended to utilise internal borrowing, capital grant, direct revenue financing, capital receipts and earmarked reserves. Any capital loans given out by the authority will be funded from capital receipts as the repayments will be received as capital receipts. It will be reported to Members as and when it is proposed to use external borrowing.
- 4.1.7 The council has had a robust policy for many years of reviewing its property holding and disposing of surplus property, detailed in the Asset Management Plan (AMP) which also includes policy and procedures for land and property acquisition. All capital receipts are pooled, unless earmarked by cabinet, and are used either to finance further capital investment or for the payment of premiums on repayment of higher interest loans.

4.2 Capital Programme Approval and Amendment

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

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

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

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

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

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

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

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

4.3 Capital Monitoring

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

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

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

4.4 Risk Management

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

5 Revenue budget implications of capital investment

5.1 Revenue cost or savings

- 5.1.1 The draft council recognises that the prudential framework provides the council with flexibility, subject to the constraints of the council's revenue budget. This flexible ability to borrow, either from internal cash resources or by external borrowing, coupled with the revised treatment of finance leases with effect from 1 April 2010, means that prudential borrowing is used for the acquisition of equipment, where it is prudent, affordable and sustainable. In 2012/13, 2013/14, 2014/15 and 2015/16, it was possible to borrow from internal cash resources rather than external borrowing and it is forecast that this will continue to be the case alongside the use of capital receipts within the current planning period (up to 2019/20). This will be kept under review as part of general Treasury Management.
- 5.1.2 The revenue effects of the capital programme are from capital financing charges and from additional revenue costs such as annual maintenance charges. The capital financing charges are made up of interest payable on loans to finance the expenditure and of principal repayments on those loans. The principal repayments commence in the year after the expenditure is incurred and are calculated by the application of the statutory Minimum Revenue Provision. The interest commences immediately the expenditure is incurred. The revenue effects of the capital programme are fully taken account of in the MTFS, with appropriate adjustments for slippage, timing of capital payments and the use of internal investment funds.

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

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| MRP | 6,948 | 6,802 | 6,660 | 7,262 |
| Interest | 6,696 | 6,296 | 6,136 | 6,316 |
| Capital financing costs | 13,644 | 13,098 | 12,796 | 13,578 |
| Investment Income | (739) | (727) | (596) | (487) |
| Net | 12,905 | 12,370 | 12,200 | 13,091 |

6 Capital resources 2016-20

6.1 Variety of sources

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

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

6.2 Annual Minimum Revenue Provision (MRP) Statement

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

6.2.2 The statement is set out in the Treasury Management Strategy.

7 Asset management review

7.1 Capital receipts

7.1.1 Capital receipts generated from the disposal of surplus and under-utilised land and property are a major source of funding and the potential available capital resources are under constant review and revision. The forecast of capital receipts included in this report are primarily based on the Corporate Asset Management Plan 2011-15 (currently being updated), from which is derived a multi-year forecast of planned land and property disposals. In addition, after the transfer of the housing stock to Merton Priory Homes, the council continues to receive a share of the receipts from Right to Buy applications and through future sharing arrangements, receipts from the sales of void properties, sales of development land and VAT saving on expenditure on stock enhancements.

7.2 Property as a corporate resource

- 7.2.1 The council treats its property as a corporate resource, oriented towards achieving its overall goals, underpinned by:
- Clear links to financial plans and budgets.
 - Effective arrangements for cross-service working.
 - Champions at senior officer and member level.
 - Significant scrutiny by councilors.
- 7.2.2 It ensures that its properties are fit for purpose by making proper provision and action for maintenance and repair. The organisation makes investment and disposal decisions based on thorough option appraisal. The capital programme gives priority to potential capital projects based on a formal objective approval process.
- 7.2.3 Whole life project costing was used at the design stage for significant projects where appropriate, incorporating future periodic capital replacement costs, projected maintenance and decommissioning costs.
- 7.2.4 Whole life costing of significant projects, which span more than one year, also forms part of the regular monitoring reports.
- 7.2.5 The Asset Management Plan is being reviewed and will include greater emphasis on the use of the Council's property assets to support the Council's Transformation Programme, regeneration and increased income/revenue generation.
- 7.2.6 A new IT system for asset accounting has been brought into use and the possibility of this system being used for more widespread asset management will be explored.

8 Summary of estimated disposals 2016-2020

- 8.1.1 New draft guidance has been issued from the DCLG on the flexible use of capital receipts which comes into effect from 1 April 2016. This gives local authorities flexibility to spend capital receipts (excluding Right to Buy receipts) from planned new asset sales on the revenue costs of reform projects, subject to the condition that the projects generate on going revenue savings e.g. transforming service delivery to reduce costs or to improve the quality of service delivery in future years. Below is a plan of activities to which the new treatment of capital receipts could be applied:
- To fund one off severance costs and other reconfiguration costs of reconfiguration that will save resources.
 - Investment in the revenue costs of IT based change programmes that reduce service spending.
 - Funding the development costs of shared services.
 - Financing common approaches for procurement across neighbouring authorities.

- Setting alternative delivery models e.g. housing companies to generate income.

Any strategy to utilise new capital receipts above that applied to fund the capital programme, will under this new treatment, require full council approval.

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

| <u>Anticipated Capital Receipts</u> | <u>2016/17</u> | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> |
| Sale of Assets | 0 | 0 | 0 | 0 |
| Right to buy/VAT Shelter | 1,800 | 1,200 | 900 | 900 |
| Total | 1,800 | 1,200 | 900 | 900 |

As there is currently not a need to enter into external borrowing, investment balances will rise with the addition of capital receipts. Average expected interest rates on investments across the years of the capital programme are approximately 1%, as such an increase in receipts of £1m would be expected to generate a £10,000 increase in interest in a full year.

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

| Capital Expenditure | 2015/16 Estimate £'000 | 2016/17 Estimate £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Capital Expenditure | 37,184 | 39,296 | 38,743 | 32,070 | 12,307 |
| Slippage* | (1,860) | (3,811) | 1,229 | 2,399 | 1,325 |
| Total Capital Expenditure | 35,324 | 35,485 | 39,972 | 34,469 | 13,632 |
| Financed by: | | | | | |
| Capital Receipts | 14,654 | 22,699 | 3,034 | 900 | 900 |
| Capital Grants & Contributions | 19,097 | 10,925 | 9,751 | 9,108 | 4,971 |
| Capital Reserves | - | - | - | - | - |
| Revenue Provisions | 1,574 | 1,635 | 5,786 | 20 | 2 |
| Other Financing Sources | - | - | - | - | - |
| Net financing need for the year | 0 | 226 | 21,401 | 24,441 | 7,759 |

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

8.2 Debt repayment

8.2.1 The council has had a strategy to reduce its level of debt when opportunity arises in the market. The average interest payable on outstanding debt is 5.72%. For the period 2016-20, capital receipts may continue to be used to pay the premiums on the repayment of those authority debts which have high fixed interest charges, if the terms offered will result in appropriate revenue savings. Any decision to repay debt early will be considered alongside the

funding however, this is unlikely to be the case in the short to medium term requirement of the programme.

9 Grant Funding Capital Resources

9.1 Environmental and Regeneration

| | 2016/17 £000s | 2017/18 £000s | 2018/19 £000s | 2019/20 £000s |
|---|------------------|------------------|------------------|------------------|
| Transport for London LIP (earmarked) Capital | 2,755 | 2,765 | 3,865 | TBA |
| Total: E&R | 2,755 | 2,765 | 3,865 | TBA |

TBA – To Be Advised

9.2 Children, Schools and Families

| CSF | 2016/17 £000s | 2017/18 £000s | 2018/19 £000s | 2019/20 £000s |
|--|------------------|------------------|------------------|------------------|
| Maintenance (non-ringfenced) | TBA | TBA | TBA | TBA |
| Basic Need (non-ringfenced) | 4,448 | 6,063 | TBA | TBA |
| Total Grant Funding | 4,448 | 6,063 | TBA | TBA |
| Devolved Formula Capital (Earmarked) | TBA | TBA | TBA | TBA |
| TOTAL: CS&F | 4,448 | 6,063 | TBA | TBA |
| Balance added for outstanding grant allocations - CSF | 552 | 437 | 5,000 | 4,955 |

TBA – To Be Advised

Note: Basic Need has been announced up to 2017/18 and the Capital Maintenance allocation has not been announced for 2016/17.

9.3 Community and Housing

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|---|-----------------|-----------------|-----------------|-----------------|
| Better Care Fund – Minimum Allocation for Disabled Facilities Grant) | TBA | TBA | TBA | TBA |
| Social Care Capital | TBA | TBA | TBA | TBA |
| Total C&H | TBA | TBA | TBA | TBA |

The Adult Social Care Grant is to be part of a pooled budget with the Merton Clinical Commissioning Group, no decisions have been made as yet as to how this will be utilised

9.4 Summary of Grant Funding 2016-2020

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

| Grant Funding | 2016/17 £0 | 2017/18 £0 | 2018/19 £0 | 2019/20 £0 |
|---|---------------|---------------|---------------|---------------|
| Environment and Regeneration | 2,755 | 2,765 | 3,865 | TBA |
| Children, Schools and Families | 4,448 | 6,063 | TBA | TBA |
| Community and Housing | TBA | TBA | TBA | TBA |
| Total Grant Funding | 7,203 | 8,828 | 3,865 | TBA |
| Balance added for outstanding grant allocations - CSF | 552 | 437 | 5,000 | 4,955 |

10 Summary of Total Resources 2016-20:

10.1 Summary

10.1.1 The total anticipated resources over the plan period 2016-20, including existing grant funding and anticipated CS&F grants, is summarised in the following table:-

| | 2016/17 £000s | 2017/18 £000s | 2018/19 £000s | 2019/20 £000s |
|-----------------------|------------------|------------------|------------------|------------------|
| Grant & Contributions | 10,925 | 9,751 | 9,108 | 4,971 |
| Council Funding | 24,560 | 30,221 | 25,361 | 8,661 |
| Total | 35,485 | 39,972 | 34,469 | 13,632 |

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

10.1.3 The Table below summarises the Indicative Capital Programme for 2020 to 2025. Additional detail is provided as Annex 5:

Indicative Capital Programme 2020 to 2025

| Merton | Updated Budget 20/21 £000s | Updated Budget 21/22 £000s | Updated Budget 22/23 £000s | Updated Budget 23/24 £000s | Updated Budget 24/25 £000s |
|------------------------------|---|---|---|---|---|
| Corporate Services | 3,235 | 6,312 | 1,935 | 1,965 | 2,817 |
| Community and Housing | 630 | 280 | 280 | 280 | 280 |
| Children, Schools & Families | 6,650 | 4,658 | 650 | 755 | 650 |
| Environment & Regeneration | 4,217 | 4,252 | 4,217 | 4,217 | 4,277 |
| Total Merton | 14,732 | 15,502 | 7,082 | 7,217 | 8,024 |

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

10.1.4 For every £1 million capital expenditure that is funded by external borrowing it is estimated that there will be annual revenue debt charges of between £242,000 for assets with a life of 5 years to £62,000 for an asset life of 50 years.

11 Capital Bids and Prioritisation Criteria

11.1 Prioritisation of schemes 2019/20

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

The prioritisation criteria used in respect of growth were 'Statutory', Need (demand and / or priority), attracts match funding and revenue impact (including invest to save). Due to officers' awareness of the need to restrain the capital programme to affordable levels, the reduction put forward over the period 2016-20, on the basis of these criteria by the board to cabinet was £13.4 million 2016-20 (excluding TfL).

12 Detailed Capital Programme 2016-20

12.1 Corporate Services

This department is responsible for the administration of finance and staff, together with the corporate buildings including IT and utility services. Its main capital expenditure is on IT software and hardware, and on improvements to buildings. It is nearing the end of a major project for the restacking of offices in the Civic Centre to enable the economic concentration of staff and services on the borough's main civic site and the biggest remaining component of this is the replacement of the Civic Centre lifts. There are also budgets held centrally under Corporate Services to ensure funds are available to take up opportunities arising in the local property market, to leverage match funding or to enable transformation of services. Annex 1 provides the overall scheme level for approval and Annex 3 provides a detailed breakdown of projects.

12.2 Children, Schools and Families

This department's main capital focus is the need for increased provision for pupils, with the major spend shifting from primary to secondary in 2016/17. The provision in the 2016-20 programme has been revised to that shown in the table below:

| Children, Schools & Families | Updated Budget 16/17 £000s | Updated Budget 17/18 £000s | Updated Budget 18/19 £000s | Updated Budget 19/20 £000s |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Primary School Expansions | 4,102 | 0 | 0 | 0 |
| Secondary School Expansions | 7,945 | 14,230 | 8,690 | 4,200 |
| SEN | 1,095 | 4,844 | 3,650 | 0 |
| Other | 856 | 754 | 650 | 755 |
| Children, Schools & Families | 13,998 | 19,828 | 12,990 | 4,955 |

Annex 4 provides detail of the movement in the programme from that currently approved. This is the most significant item in the council's capital programme and as such is set out in detail below:

CSF capital programme 2016-20

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

The capital programme in 2016/17 provides the finance to complete the expansions of Dundonald and Singlegate Primary Schools. This will complete a primary school expansion programme over eight years that is providing an additional 4,410 places (21 additional forms of entry since 2007/08).

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

Secondary school places

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

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

The capital programme for 2016/20 includes £34.6 million for expansions in the borough's existing secondary schools and the first phase of a new secondary school. However, the council is working with the Education Funding Agency to ensure that significant funding for the new 'Harris Wimbledon' school is provided by central government.

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

Special school places

The increase in demand for special school provision is proportionally greater for special schools than mainstream schools, though the numbers involved are significantly smaller. Capital funding is provided in the 2016/20 programme for expansion, including ensuring the numbers in the Perseid upper school will match the lower school. Further decisions on specific expansion schemes for special school provision are subject to review.

Other schemes

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

12.3 Environment and Regeneration

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

The individual projects for this department are all listed in Annex 3. Other than the grant funded Transport for London scheme for the upgrade of principal roads, the departments main schemes relate to 15 main areas:

| Environment & Regeneration | Updated Budget 16/17 £000s | Updated Budget 17/18 £000s | Updated Budget 18/19 £000s | Updated Budget 19/20 £000s |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Footways Planned Works | 1,000 | 1,000 | 1,000 | 1,000 |
| Greenspaces | 486 | 250 | 350 | 385 |
| Highways General Planned Works | 419 | 419 | 422 | 427 |
| Highways Planned Road Works | 1,500 | 1,500 | 1,500 | 1,250 |
| Leisure Centres | 5,431 | 5,228 | 2,047 | 300 |
| Other E&R | 45 | 0 | 0 | 0 |
| On and Off Street Parking | 35 | 0 | 0 | 0 |
| Regeneration Partnerships | 2,656 | 1,370 | 2,000 | 0 |
| Street Lighting | 462 | 290 | 509 | 290 |
| Street Scene | 60 | 60 | 60 | 60 |
| Transport for London | 1,755 | 1,844 | 1,864 | 0 |
| Traffic and Parking Management | 1,201 | 156 | 175 | 175 |
| Transport and Plant | 562 | 500 | 5,500 | 350 |
| Waste Operations | 46 | 46 | 46 | 40 |
| Environment & Regeneration | 15,658 | 12,664 | 15,474 | 4,277 |

12.3.1 Highways Planned Road Works and Footways Planned Works

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

12.3.2 Highways General Planned Works

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

| Leisure Centres | Updated Budget 16/17 £000s | Updated Budget 17/18 £000s | Updated Budget 18/19 £000s | Updated Budget 19/20 £000s |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Surface Water Drainage | 69 | 69 | 72 | 77 |
| Highways bridges & structures | 260 | 260 | 260 | 260 |
| Maintain AntiSkid and Coloured | 90 | 90 | 90 | 90 |
| Total Highways General Planned Works | 419 | 419 | 422 | 427 |

12.3.3 Leisure

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

| Leisure Centres | Updated Budget 16/17 £000s | Updated Budget 17/18 £000s | Updated Budget 18/19 £000s | Updated Budget 19/20 £000s |
|--------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Leisure Centre Plant & Machine | 300 | 300 | 300 | 300 |
| Morden Leisure Centre | 5,131 | 4,928 | 247 | 0 |
| Wimbledon Park Lake De-Silting | 0 | 0 | 1,500 | 0 |
| Total Leisure Centres | 5,431 | 5,228 | 2,047 | 300 |

12.3.4 Future Merton

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

| Environment and Regeneration | Updated Budget 16/17 £000s | Updated Budget 17/18 £000s | Updated Budget 18/19 £000s | Updated Budget 19/20 £000s |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Regeneration Partnerships | | | | |
| Industrial Estate Investment | 0 | 450 | 0 | 0 |
| Mitcham Major schemes - TfL | 1,000 | 700 | 0 | 0 |
| S106 Wim Broadway CA | 46 | | | |
| Town Centre Investment | 1,037 | 0 | 0 | 0 |
| Morden shopping parades | 518 | 0 | 0 | 0 |
| Brighter Business | 55 | 0 | 0 | 0 |
| Morden - TfL | 0 | 220 | 2,000 | 0 |
| Total Regeneration Partnerships | 2,656 | 1,370 | 2,000 | 0 |

12.4 Community and Housing

12.4.1 This department aims to provide residents with the chance to live independent and fulfilling lives, in suitable homes within sustainable communities, with chances to learn, use information, and acquire new skills.

The departmental Capital Programme for 2016/20 comprises:

| Community and Housing | Updated Budget 16/17 £000s | Updated Budget 17/18 £000s | Updated Budget 18/19 £000s | Updated Budget 19/20 £000s |
|--------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | | | |
| Adult Social Care | | | | |
| CareFirst report Development | 14 | | | |
| Excel Add-Ins | 3 | | | |
| Captive E-Learning CareFirst | 8 | | | |
| Adult Social care Collections | 10 | | | |
| Telehealth | 44 | 0 | 0 | 0 |
| Total Adult Social Care | 79 | 0 | 0 | 0 |
| Housing | | | | |
| 191-193 Western Road | 115 | 0 | 0 | 0 |
| Western Road | 760 | 0 | 0 | 0 |
| Disabled Facilities Grant | 840 | 755 | 629 | 280 |
| Small Repairs Grant | 0 | 0 | 0 | 0 |
| Total Housing | 1,715 | 755 | 629 | 280 |
| Libraries | | | | |
| Colliers Wood Library Re-Fit | 200 | 0 | 0 | 0 |
| West Barnes Library Re-Fit | 0 | 200 | 0 | 0 |
| Library Management System | 0 | 100 | 0 | 0 |
| Library Self Service | 80 | 0 | 0 | 0 |
| Total Libraries | 280 | 300 | 0 | 0 |
| TOTAL | 2,074 | 1,055 | 629 | 280 |

12.5 Overall Programme

12.5.1 The approved Capital Programme for 2016/20 follows at Annex 1, Annex 3 provides an additional breakdown detail of the approved schemes. The summary is as follows:

| Merton | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Corporate Services | 7,565,460 | 5,196,000 | 2,977,000 | 2,795,000 |
| Community and Housing | 2,074,100 | 1,055,000 | 628,900 | 280,000 |
| Children, Schools & Families | 13,998,230 | 19,828,860 | 12,989,950 | 4,955,000 |
| Environment & Regeneration | 15,658,050 | 12,663,520 | 15,473,700 | 4,277,000 |
| Total Merton | 39,295,840 | 38,743,380 | 32,069,550 | 12,307,000 |

12.5.2 The funding details for the programme follow at Annex 2

12.5.3 Within the funding details the authority has anticipated some slippage for schemes that require a consultation process or a planning application or where the implementation timetable is not certain. The slippage anticipated reduces the spend in the year it is budgeted but increases the spend in the following year when it is incurred. When slippage from 2015/16 is approved, the 2016/17 Capital Programme will be adjusted accordingly.

- 12.5.4
- Annexe 1 Capital Investment Programme - Schemes for Approval
 - Annexe 2 Funding the Capital Programme 2016-20
 - Annexe 3 Detailed Capital Programme 2016-20
 - Annexe 4 Analysis of Growth/(Reduction) from current approved programme
 - Annexe 5 Indicative Capital Programme 2020-25

CAPITAL INVESTMENT PROGRAMME - SCHEMES FOR APPROVAL - ANNEX 1

| Merton | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Corporate Services | 7,565,460 | 5,196,000 | 2,977,000 | 2,795,000 |
| Community and Housing | 2,074,100 | 1,055,000 | 628,900 | 280,000 |
| Children, Schools & Families | 13,998,230 | 19,828,860 | 12,989,950 | 4,955,000 |
| Environment & Regeneration | 15,658,050 | 12,663,520 | 15,473,700 | 4,277,000 |
| Total Merton | 39,295,840 | 38,743,380 | 32,069,550 | 12,307,000 |

| Merton | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Total Corporate Budgets | 982,000 | 0 | 0 | 0 |
| Total Business Improvement | 2,227,190 | 175,000 | 442,000 | 190,000 |
| Total Resources | 215,000 | 0 | 0 | 0 |
| Total Information Technology | 1,525,000 | 2,021,000 | 785,000 | 1,230,000 |
| Total Facilities Management | 2,616,270 | 3,000,000 | 1,750,000 | 1,375,000 |
| Total Corporate Services | 7,565,460 | 5,196,000 | 2,977,000 | 2,795,000 |
| | | | | |
| Community and Housing | | | | |
| Adult Social Care | 79,100 | 0 | 0 | 0 |
| Housing | | | | |
| Western Road | 875,000 | 0 | 0 | 0 |
| Disabled Facilities | 840,000 | 755,000 | 628,900 | 280,000 |
| Libraries | 280,000 | 300,000 | 0 | 0 |
| Total Community and Housing | 2,074,100 | 1,055,000 | 628,900 | 280,000 |
| | | | | |
| Children, Schools and Families | | | | |
| Primary School Expansions | 4,101,720 | 0 | 0 | 0 |
| Secondary School Expansions | 7,945,200 | 14,230,050 | 8,689,950 | 4,200,000 |
| SEN | 1,095,320 | 4,844,360 | 3,650,000 | 0 |
| Other | 855,990 | 754,450 | 650,000 | 755,000 |
| Children, Schools & Families | 13,998,230 | 19,828,860 | 12,989,950 | 4,955,000 |

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

| Environment & Regeneration | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Footways Planned Works | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Greenspaces | 486,200 | 250,000 | 350,000 | 385,000 |
| Highways General Planned Works | 419,000 | 419,000 | 422,000 | 427,000 |
| Highways Planned Road Works | 1,500,000 | 1,500,000 | 1,500,000 | 1,250,000 |
| Leisure Centres | 5,430,970 | 5,228,220 | 2,047,400 | 300,000 |
| Other E&R | 45,000 | 0 | 0 | 0 |
| On and Off Street Parking | 35,000 | 0 | 0 | 0 |
| Regeneration Partnerships | 2,656,480 | 1,370,000 | 2,000,000 | 0 |
| Street Lighting | 462,000 | 290,000 | 509,000 | 290,000 |
| Street Scene | 60,000 | 60,000 | 60,000 | 60,000 |
| Transport for London | 1,754,800 | 1,844,800 | 1,864,800 | 0 |
| Traffic and Parking Management | 1,201,500 | 156,000 | 175,000 | 175,000 |
| Transport and Plant | 561,600 | 500,000 | 5,500,000 | 350,000 |
| Waste Operations | 45,500 | 45,500 | 45,500 | 40,000 |
| Environment & Regeneration | 15,658,050 | 12,663,520 | 15,473,700 | 4,277,000 |

Please Note

- 1) At present the programme contains no provision for the transport implementation costs of the South London Partnership.
- 2) Excludes expenditure budgets relating to Disabled Facilities Grant from 17/18 as grant funding has not been announced. An estimated £528,000 has been added to 16/17 this will be adjusted when funding is announced.
- 3) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 5) Figures show the anticipated net cost of the provision of a new secondary school

FUNDING THE CAPITAL PROGRAMME 2015-20**ANNEX 2**

| Merton | Capital Programme £000s | Funded by Merton £000s | Funded by grant and capital contributions £000s |
|---------------|--|-----------------------------------|--|
|---------------|--|-----------------------------------|--|

| | | | |
|-------------------------------|---------|--------|---------|
| 2015/16 Current Budget | 29,912 | 10,674 | 19,237 |
| Potential Slippage b/f | 7,272 | 6,348 | 924 |
| 2015/16 Revised Budget | 37,184 | 17,022 | 20,161 |
| Potential Slippage c/f | (1,859) | (795) | (1,064) |
| Total Spend 2015/16 | 35,324 | 16,227 | 19,097 |

| | | | |
|-------------------------------|---------|---------|---------|
| 2016/17 Current Budget | 39,296 | 28,168 | 11,128 |
| Potential Slippage b/f | 1,859 | 795 | 1,064 |
| 2016/17 Revised Budget | 41,155 | 28,963 | 12,192 |
| Potential Slippage c/f | (5,670) | (4,403) | (1,267) |
| Total Spend 2016/17 | 35,485 | 24,560 | 10,925 |

| | | | |
|-------------------------------|---------|---------|--------|
| 2017/18 Current Budget | 38,743 | 29,889 | 8,855 |
| Potential Slippage b/f | 5,670 | 4,403 | 1,267 |
| 2017/18 Revised Budget | 44,413 | 34,292 | 10,122 |
| Potential Slippage c/f | (4,442) | (4,071) | (371) |
| Total Spend 2017/18 | 39,972 | 30,221 | 9,751 |

| | | | |
|-------------------------------|---------|---------|-------|
| 2018/19 Current Budget | 32,070 | 23,119 | 8,950 |
| Potential Slippage b/f | 4,442 | 4,071 | 371 |
| 2018/19 Revised Budget | 36,511 | 27,190 | 9,321 |
| Potential Slippage c/f | (2,042) | (1,829) | (213) |
| Total Spend 2018/19 | 34,469 | 25,361 | 9,108 |

| | | | |
|-------------------------------|--------|-------|-------|
| 2019/20 Current Budget | 12,307 | 7,402 | 4,905 |
| Potential Slippage b/f | 2,042 | 1,829 | 213 |
| 2019/20 Revised Budget | 14,349 | 9,231 | 5,118 |
| Potential Slippage c/f | (717) | (570) | (147) |
| Total Spend 2019/20 | 13,632 | 8,661 | 4,971 |

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

DETAILED CAPITAL PROGRAMME 2016-20**ANNEX 3**

| Corporate Services | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|---|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Corporate Budgets | | | | | |
| Acquisitions Budget | O&SC | 500,000 | 0 | 0 | 0 |
| Capital Bidding Fund | O&SC | 482,000 | 0 | 0 | 0 |
| Total Corporate Budgets | | 982,000 | 0 | 0 | 0 |
| Business Improvements | | | | | |
| Replace doc management system | O&SC | 398,000 | 0 | 0 | 0 |
| Planweb/Stratus Update | O&SC | 0 | 0 | 42,000 | 0 |
| Planning & Public Protection Sys | O&SC | 500,000 | 0 | 0 | 0 |
| Mapinfo System | O&SC | 50,000 | 0 | 0 | 0 |
| Aligned Assets | O&SC | 0 | 75,000 | 0 | 0 |
| Customer Contact Programme | O&SC | 570,000 | 0 | 0 | 0 |
| Data Labling | O&SC | 133,850 | 0 | 0 | 0 |
| Electronic Asset Management | O&SC | 50,000 | 0 | 0 | 190,000 |
| Revenue & Benefits | O&SC | 0 | 0 | 400,000 | 0 |
| Capita Housing | O&SC | 0 | 100,000 | 0 | 0 |
| Replacement SC System | O&SC | 525,340 | 0 | 0 | 0 |
| Total Business Improvement | | 2,227,190 | 175,000 | 442,000 | 190,000 |
| Resources | | | | | |
| Replacement of Civica Icon | O&SC | 106,800 | 0 | 0 | 0 |
| Improving Information Systems | O&SC | 108,200 | 0 | 0 | 0 |
| Total Resources | | 215,000 | 0 | 0 | 0 |
| Information Technology | | | | | |
| Planned Replacement Programme | O&SC | 1,125,000 | 1,746,000 | 510,000 | 430,000 |
| ITSD Enhancements | O&SC | 200,000 | 200,000 | 275,000 | 200,000 |
| Multi-Functioning Device (MFD) | O&SC | 200,000 | 75,000 | 0 | 600,000 |
| Total Information Technology | | 1,525,000 | 2,021,000 | 785,000 | 1,230,000 |
| Facilities Management | | | | | |
| Invest to Save Schemes | O&SC | 1,300,000 | 300,000 | 300,000 | 300,000 |
| Water Safety Works | O&SC | 150,000 | 150,000 | 100,000 | 0 |
| Asbestos Safety Works | O&SC | 250,000 | 250,000 | 250,000 | 0 |
| Capital Works - Facilities | O&SC | 300,000 | 300,000 | 300,000 | 700,000 |
| Civic Centre Passenger Lifts | O&SC | 116,270 | 0 | 0 | 0 |
| Civic Centre Boilers | O&SC | 0 | 0 | 300,000 | 0 |
| Data Centre Support Equipment | O&SC | 0 | 0 | 300,000 | 0 |
| Civic Centre Staff Entrance Improvements | O&SC | 0 | 0 | 200,000 | 0 |
| Photovoltaics (PV) & Energy Conservation in Schools | O&SC | 500,000 | 2,000,000 | 0 | 0 |
| Civic Centre Lightning Upgrade | O&SC | 0 | 0 | 0 | 300,000 |
| Civic Centre Block Paving | O&SC | 0 | 0 | 0 | 75,000 |
| Total Facilities Management | | 2,616,270 | 3,000,000 | 1,750,000 | 1,375,000 |
| TOTAL | | 7,565,460 | 5,196,000 | 2,977,000 | 2,795,000 |

DETAILED CAPITAL PROGRAMME 2016-20 Continued....**ANNEX 3**

| Community and Housing | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|--------------------------------|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | | | |
| Adult Social Care | | | | | |
| CareFirst report Development | HC&OP | 14,000 | 0 | 0 | 0 |
| Excel Add-Ins | HC&OP | 3,000 | 0 | 0 | 0 |
| Captive E-Learning CareFirst | HC&OP | 8,350 | 0 | 0 | 0 |
| Adult Social care Collections | HC&OP | 10,000 | 0 | 0 | 0 |
| Telehealth | HC&OP | 43,750 | 0 | 0 | 0 |
| Total Adult Social Care | | 79,100 | 0 | 0 | 0 |
| Housing | | | | | |
| 191-193 Western Road | HC&OP | 115,000 | 0 | 0 | 0 |
| Western Road * | HC&OP | 760,000 | 0 | 0 | 0 |
| Disabled Facilities Grant | HC&OP | 840,000 | 755,000 | 628,900 | 280,000 |
| Small Repairs Grant | HC&OP | 0 | 0 | 0 | 0 |
| Total Housing | | 1,715,000 | 755,000 | 628,900 | 280,000 |
| Libraries | | | | | |
| Colliers Wood Library Re-Fit | SC | 200,000 | 0 | 0 | 0 |
| West Barnes Library Re-Fit | SC | 0 | 200,000 | 0 | 0 |
| Library Management System | SC | 0 | 100,000 | 0 | 0 |
| Library Self Service | SC | 80,000 | 0 | 0 | 0 |
| Total Libraries | | 280,000 | 300,000 | 0 | 0 |
| TOTAL | | 2,074,100 | 1,055,000 | 628,900 | 280,000 |

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

Please Note

- 1) At present the programme contains no provision for the transport implementation costs of the South London Partnership.
- 2) Excludes expenditure budgets relating to Disabled Facilities Grant from 17/18 as grant funding has not been announced. An estimated £528,000 has been added to 16/17 this will be adjusted when funding is announced.
- 3) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 5) Figures show the anticipated net cost of the provision of a new secondary school

DETAILED CAPITAL PROGRAMME 2016-20 Continued....**ANNEX 3**

| Children, Schools and Families | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|--|----------|----------------------|----------------------|----------------------|----------------------|
| | | | | | |
| Primary School Expansions | | | | | |
| Dundonald expansion | C&YP | 2,926,910 | 0 | 0 | 0 |
| Singlegate expansion | C&YP | 1,174,810 | 0 | 0 | 0 |
| Total Primary School Expansions | | 4,101,720 | 0 | 0 | 0 |
| | | | | | |
| Scheme 1 Phased Extra 2fe | C&YP | 2,181,400 | 2,181,310 | 0 | 0 |
| Scheme 2 Phased Extra 2fe | C&YP | 151,000 | 2,948,740 | 2,681,000 | 0 |
| Scheme 3 Phased Extra 2fe | C&YP | 542,800 | 2,000,000 | 0 | 0 |
| Scheme 5 Contingency | C&YP | 0 | 100,000 | 1,530,000 | 4,200,000 |
| Scheme 4 New School Extra 6fe | C&YP | 5,070,000 | 7,000,000 | 4,478,950 | 0 |
| Total Secondary School Expansions | | 7,945,200 | 14,230,050 | 8,689,950 | 4,200,000 |
| | | | | | |
| Perseid | C&YP | 200,000 | 850,000 | 650,000 | 0 |
| Further SEN Provision | C&YP | 295,320 | 3,434,360 | 3,000,000 | |
| Secondary School Autism Unit | C&YP | 600,000 | 560,000 | 0 | 0 |
| Total SEN | | 1,095,320 | 4,844,360 | 3,650,000 | 0 |
| Other | | | | | |
| Schs Cap Maint & Accessibility | C&YP | 751,540 | 650,000 | 650,000 | 650,000 |
| Schools Equipment Loans | C&YP | 104,450 | 104,450 | 0 | 0 |
| Admissions IT System | C&YP | 0 | 0 | 0 | 105,000 |
| Total Other | | 855,990 | 754,450 | 650,000 | 755,000 |
| TOTAL | | 13,998,230 | 19,828,860 | 12,989,950 | 4,955,000 |

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

Please Note

- 1) At present the programme contains no provision for the transport implementation costs of the South London Partnership.
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- 3) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 5) Figures show the anticipated net cost of the provision of a new secondary school

DETAILED CAPITAL PROGRAMME 2016-20 Continued....**ANNEX 3**

| Environment and Regeneration | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|---|----------|----------------------|----------------------|----------------------|----------------------|
| | | | | | |
| Footways Planned Works | | | | | |
| Repairs to Footways | SC | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Total Footways Planned Works | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Greenspaces | | | | | |
| Parks Investment | SC | 276,000 | 216,000 | 322,500 | 325,000 |
| Canons Parks for People Dev HLF | SC | 113,000 | 0 | 0 | 0 |
| Pay and Display Machines | SC | 0 | 0 | 0 | 60,000 |
| Parks Bins - Finance Lease | SC | 34,000 | 34,000 | 27,500 | 0 |
| Living Wandle Ravensbury Park | SC | 63,200 | 0 | 0 | 0 |
| Total Greenspaces | | 486,200 | 250,000 | 350,000 | 385,000 |
| Highways General Planned Works | | | | | |
| Surface Water Drainage | SC | 69,000 | 69,000 | 72,000 | 77,000 |
| Highways bridges & structures | SC | 260,000 | 260,000 | 260,000 | 260,000 |
| Maintain AntiSkid and Coloured | SC | 90,000 | 90,000 | 90,000 | 90,000 |
| Total Highways General Planned Works | | 419,000 | 419,000 | 422,000 | 427,000 |
| Highways Planned Road Works | | | | | |
| Borough Roads Maintenance | SC | 1,500,000 | 1,500,000 | 1,500,000 | 1,250,000 |
| Total Highways Planned Road Works | | 1,500,000 | 1,500,000 | 1,500,000 | 1,250,000 |
| Leisure Centres | | | | | |
| Leisure Centre Plant & Machine | SC | 300,000 | 300,000 | 300,000 | 300,000 |
| Morden Leisure Centre | SC | 5,130,970 | 4,928,220 | 247,400 | 0 |
| Wimbledon Park Lake De-Silting | SC | 0 | 0 | 1,500,000 | 0 |
| Total Leisure Centres | | 5,430,970 | 5,228,220 | 2,047,400 | 300,000 |
| Other E&R | | | | | |
| Mortuary Provision | SC | 45,000 | 0 | 0 | 0 |
| Total Other E&R | | 45,000 | 0 | 0 | 0 |
| On and Off Street Parking | | | | | |
| Replacing Handheld Computers | SC | 35,000 | 0 | 0 | 0 |
| Total On and Off Street Parking | | 35,000 | 0 | 0 | 0 |

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

Please Note

- 1) At present the programme contains no provision for the transport implementation costs of the South London Partnership.
- 2) Excludes expenditure budgets relating to Disabled Facilities Grant from 17/18 as grant funding has not been announced. An estimated £528,000 has been added to 16/17 this will be adjusted when funding is announced.
- 3) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 5) Figures show the anticipated net cost of the provision of a new secondary school

DETAILED CAPITAL PROGRAMME 2016-20 Continued....**ANNEX 3**

| Environment and Regeneration | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|---|----------|----------------------|----------------------|----------------------|----------------------|
| Regeneration Partnerships | | | | | |
| Industrial Estate Investment | SC | 0 | 450,000 | 0 | 0 |
| Mitcham Major schemes - TfL | SC | 1,000,000 | 700,000 | 0 | 0 |
| S106 Wim broadwy CA | SC | 46,480 | 0 | 0 | 0 |
| Town Centre Investment | SC | 1,037,000 | 0 | 0 | 0 |
| Morden shopping parades | SC | 518,000 | 0 | 0 | 0 |
| Brighter Business | SC | 55,000 | 0 | 0 | 0 |
| Morden - TfL | SC | 0 | 220,000 | 2,000,000 | 0 |
| Total Regeneration Partnerships | | 2,656,480 | 1,370,000 | 2,000,000 | 0 |
| Street Lighting | | | | | |
| Street Lighting Replacement Pr | SC | 462,000 | 290,000 | 509,000 | 290,000 |
| Total Street Lighting | | 462,000 | 290,000 | 509,000 | 290,000 |
| Street Scene | | | | | |
| Street Tree Programme | SC | 60,000 | 60,000 | 60,000 | 60,000 |
| Total Street Scene | | 60,000 | 60,000 | 60,000 | 60,000 |
| Transport for London | | | | | |
| Unallocated | SC | 1,754,800 | 1,844,800 | 1,864,800 | 0 |
| Total Transport for London | | 1,754,800 | 1,844,800 | 1,864,800 | 0 |
| Traffic and Parking Management | | | | | |
| Traffic Schemes | SC | 150,000 | 156,000 | 175,000 | 175,000 |
| Tackling Traffic Congestion | | 532,500 | 0 | 0 | 0 |
| CCTV (match funding) | SC/O&S | 399,000 | 0 | 0 | 0 |
| £1 Coinage Changs P&D Machines | SC | 120,000 | 0 | 0 | 0 |
| Total Traffic and Parking Management | | 1,201,500 | 156,000 | 175,000 | 175,000 |
| Transport and Plant | | | | | |
| Replacement of Fleet Vehicles | SC | 500,000 | 500,000 | 500,000 | 350,000 |
| Shared Space | SC | 20,000 | 0 | 0 | 0 |
| B610 Wim Town Centre trans imp | SC | 41,600 | 0 | 0 | 0 |
| Transportation Enhancements | SC | 0 | 0 | 5,000,000 | 0 |
| Total Transport and Plant | | 561,600 | 500,000 | 5,500,000 | 350,000 |
| Waste Operations | | | | | |
| Alley Gating Scheme - Fly Tip | SC | 40,000 | 40,000 | 40,000 | 40,000 |
| Waste Bins - Finance Lease | SC | 5,500 | 5,500 | 5,500 | 0 |
| Total Waste Operations | | 45,500 | 45,500 | 45,500 | 40,000 |
| TOTAL | | 15,658,050 | 12,663,520 | 15,473,700 | 4,277,000 |

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

Please Note

- 1) At present the programme contains no provision for the transport implementation costs of the South London Partnership.
- 2) Excludes expenditure budgets relating to Disabled Facilities Grant from 17/18 as grant funding has not been announced. An estimated £528,000 has been added to 16/17 this will be adjusted when funding is announced.
- 3) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 5) Figures show the anticipated net cost of the provision of a new secondary school

ANALYSIS OF GROWTH 2016-20**ANNEX 4**

| | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|---|----------|----------------------|----------------------|----------------------|----------------------|
| Corporate Services | | | | | |
| Business Improvements | | | | | |
| Planweb/Stratus Update | O&SC | 0 | 0 | 42,000 | 0 |
| Planning & Public Protection Sys | O&SC | 500,000 | 0 | 0 | 0 |
| Mapinfo System | O&SC | 50,000 | 0 | 0 | 0 |
| Aligned Assets | O&SC | 0 | 75,000 | 0 | 0 |
| Electronic Asset Management | O&SC | 0 | 0 | 0 | 190,000 |
| Revenue & Benefits | O&SC | 0 | 0 | 400,000 | 0 |
| Capita Housing | O&SC | 0 | 100,000 | 0 | 0 |
| Total Business Improvement | | 550,000 | 175,000 | 442,000 | 190,000 |
| Information Technology | | | | | |
| Planned Replacement Programme | O&SC | (287,000) | 60,000 | (447,000) | (145,000) |
| ITSD Enhancements | O&SC | (50,000) | 80,000 | 225,000 | 200,000 |
| Multi-Functioning Device (MFD) | O&SC | 0 | 0 | 0 | 600,000 |
| Total Information Technology | | (337,000) | 140,000 | (222,000) | 655,000 |
| Facilities Management | | | | | |
| Water Safety Works | O&SC | 0 | 0 | 0 | (75,000) |
| Asbestos Safety Works | O&SC | 0 | 0 | 0 | (250,000) |
| Capital Works - Facilities | O&SC | 0 | 0 | 0 | 400,000 |
| Photovoltaics (PV) and Energy Conservation in Schools | O&SC | 500,000 | 2,000,000 | 0 | 0 |
| Civic Centre Lightning Upgrade | O&SC | 0 | 0 | 0 | 300,000 |
| Civic Centre Block Paving | O&SC | 0 | 0 | 0 | 75,000 |
| Total Facilities Management | | 500,000 | 2,000,000 | 0 | 450,000 |
| TOTAL | | 713,000 | 2,315,000 | 220,000 | 1,295,000 |

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

** Negative growth in the capital programme is as a result of reduction when compared to the approved (16/19) and indicative (19/20) programme.

ANALYSIS OF GROWTH 2016-20**ANNEX 4**

| Community and Housing | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|------------------------------|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | | | |
| Housing | | | | | |
| Small Repairs Grant | SC | (60,000) | (60,000) | (60,000) | (60,000) |
| Total Housing | | (60,000) | (60,000) | (60,000) | (60,000) |
| Libraries | | | | | |
| West Barnes Library Re-Fit | SC | 0 | 200,000 | 0 | 0 |
| Library Management System | SC | 0 | 100,000 | 0 | 0 |
| Total Libraries | | 0 | 300,000 | 0 | 0 |
| TOTAL | | (60,000) | 240,000 | (60,000) | (60,000) |

ANALYSIS OF GROWTH 2016-20**Annex 4**

| Children, Schools and Families | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|--|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Primary School Expansions | | | | | |
| Beecholme | C&YP | (2,575,000) | (2,075,000) | 0 | 0 |
| 23 FE School Expansion 1fe Expansion | C&YP | (100,000) | (555,000) | (2,575,000) | (1,600,000) |
| 26 FE School Expansion - Temp C/rooms | C&YP | 0 | (618,780) | 0 | 0 |
| 27 FE School Expansion - Temp C/rooms | C&YP | 0 | (300,000) | 0 | 0 |
| 28 FE School Expansion – Temp C/rooms | C&YP | 0 | (300,000) | 0 | 0 |
| Total Primary School Expansions | | (2,675,000) | (3,848,780) | (2,575,000) | (1,600,000) |
| Secondary | | | | | |
| Scheme 1 Phased Extra 4fe | C&YP | (682,600) | 2,181,310 | (3,677,560) | 0 |
| Scheme 2 Phased Extra 4fe | C&YP | (2,780,000) | 2,948,740 | 410,880 | 0 |
| Scheme 3 Phased Extra 2fe | C&YP | (2,362,200) | 2,000,000 | 0 | 0 |
| Scheme 5 Phased Extra 2fe | C&YP | (95,000) | (1,400,000) | 2,360 | 4,200,000 |
| Scheme 6 Phased Extra 2fe | C&YP | (1,900,000) | (3,000,000) | (2,000,000) | 0 |
| Scheme 4 New School Extra 6fe | C&YP | (110,000) | 0 | 0 | 0 |
| Total Secondary School Expansions | | (7,929,800) | 2,730,050 | (5,264,320) | 4,200,000 |
| Secondary School Expansions | | | | | |
| Cricket Green | C&YP | (2,057,210) | (1,500,000) | 0 | 0 |
| Perseid | C&YP | 200,000 | 850,000 | (200,000) | (850,000) |
| Further SEN Provision | C&YP | 295,320 | 3,434,360 | 3,000,000 | 0 |
| Perseid - Further 28 Places Primary | C&YP | (1,600,000) | (1,500,000) | 0 | 0 |
| Secondary School Autism Unit | C&YP | (560,000) | 560,000 | 0 | 0 |
| Total SEN | | (3,721,890) | 1,844,360 | 2,800,000 | (850,000) |
| Other | | | | | |
| Inflation Contingency | C&YP | (2,433,860) | (1,875,580) | (2,074,530) | (165,600) |
| Admissions IT System | C&YP | 0 | 0 | 0 | 105,000 |
| Total Other | | (2,433,860) | (1,875,580) | (2,074,530) | (60,600) |
| TOTAL | | (16,760,550) | (1,149,950) | (7,113,850) | 1,689,400 |

ANALYSIS OF GROWTH 2016-20**ANNEX 4**

| Environment and Regeneration | Scrutiny | Updated Budget 16/17 | Updated Budget 17/18 | Updated Budget 18/19 | Updated Budget 19/20 |
|---|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | | | |
| Greenspaces | | | | | |
| Parks Investment | SC | 0 | 0 | 0 | (25,000) |
| Pay and Display Machines | SC | 0 | 0 | 0 | 60,000 |
| Total Greenspaces | | 0 | 0 | 0 | 35,000 |
| Highways General Planned Works | | | | | |
| Surface Water Drainage | SC | 0 | 0 | 3,000 | 8,000 |
| Total Highways General Planned Works | | 0 | 0 | 3,000 | 8,000 |
| Highways Planned Road Works | | | | | |
| Borough Roads Maintenance | SC | 0 | 0 | 0 | (250,000) |
| Total Highways Planned Road Works | | 0 | 0 | 0 | (250,000) |
| Other E&R | | | | | |
| Mortuary Provision | SC | 45,000 | 0 | 0 | 0 |
| Total Other E&R | | 45,000 | 0 | 0 | 0 |
| On and Off Street Parking | | | | | |
| Replacing Handheld Computers | SC | 35,000 | 0 | 0 | 0 |
| Total On and Off Street Parking | | 35,000 | 0 | 0 | 0 |
| Regeneration | | | | | |
| Mitcham Major schemes - TfL | SC | (1,484,000) | 700,000 | 0 | 0 |
| Wimbledon - TfL | SC | (3,200,000) | 0 | 0 | 0 |
| Morden - TfL | SC | (300,000) | (2,780,000) | 2,000,000 | 0 |
| Total Regeneration | | (4,984,000) | (2,080,000) | 2,000,000 | 0 |
| Street Lighting | | | | | |
| Street Lighting Replacement Pr | SC | 0 | 0 | 0 | (219,000) |
| Total Street Lighting | | 0 | 0 | 0 | (219,000) |
| Street Scene | | | | | |
| Street Tree Programme | SC | 0 | 0 | (40,000) | (40,000) |
| Total Street Scene | | 0 | 0 | (40,000) | (40,000) |
| Transport and Plant | | | | | |
| Replacement of Fleet Vehicles | SC | 0 | 0 | 0 | (150,000) |
| Total Transport and Plant | | 0 | 0 | 0 | (150,000) |
| Transport for London | | | | | |
| TfL Allocation | | (71,200) | 18,800 | 1,864,800 | 0 |
| Total Transport for London | | (71,200) | 18,800 | 1,864,800 | 0 |
| Waste Operations | | | | | |
| Alley Gating Scheme - Fly Tip | SC | 20,000 | 20,000 | 20,000 | 20,000 |
| Total Waste Operations | | 20,000 | 20,000 | 20,000 | 20,000 |
| TOTAL | | (4,955,200) | (2,041,200) | 3,847,800 | (596,000) |

INDICATIVE CAPITAL PROGRAMME 2020-25**ANNEX 5**

| Corporate Services | Scrutiny | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|-------------------------------------|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Business Improvements | | | | | | |
| Planweb/Stratus Update | O&SC | 0 | 42,000 | 0 | 0 | 42,000 |
| Planning & Public Protection Sys | O&SC | 0 | 500,000 | 0 | 0 | 0 |
| Mapinfo System | O&SC | 0 | 50,000 | 0 | 0 | 0 |
| Aligned Assets | O&SC | 0 | 0 | 75,000 | 0 | 0 |
| Customer Contact Programme | O&SC | 200,000 | 1,800,000 | 0 | 0 | 0 |
| Data Labling | O&SC | 0 | 0 | 0 | 0 | 0 |
| Electronic Asset Management | O&SC | 0 | 0 | 0 | 190,000 | 0 |
| Revenue & Benefits | O&SC | 0 | 0 | 0 | 0 | 400,000 |
| Capita Housing | O&SC | 0 | 0 | 100,000 | 0 | 0 |
| Replacement SC System | O&SC | 150,000 | 1,950,000 | 0 | 0 | 0 |
| Total Business Improvement | | 350,000 | 4,342,000 | 175,000 | 190,000 | 442,000 |
| Resources | | | | | | |
| Replacement of Civica Icon | O&SC | 125,000 | 0 | 0 | 0 | 0 |
| Improving Information Systems | O&SC | 700,000 | 0 | 0 | 0 | 0 |
| Total Resources | | 825,000 | 0 | 0 | 0 | 0 |
| Information Technology | | | | | | |
| Planned Replacement Programme | O&SC | 860,000 | 770,000 | 560,000 | 575,000 | 575,000 |
| ITSD Enhancements | O&SC | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Multi-Functioning Device (MFD) | O&SC | 0 | 0 | 0 | 0 | 600,000 |
| Total Information Technology | | 1,060,000 | 970,000 | 760,000 | 775,000 | 1,375,000 |
| Invest to Save Schemes | O&SC | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Capital Works - Facilities | O&SC | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 |
| Total Facilities Management | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| TOTAL | | 3,235,000 | 6,312,000 | 1,935,000 | 1,965,000 | 2,817,000 |

| Community and Housing | Scrutiny | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|------------------------------|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | | | | |
| Housing | | | | | | |
| Disabled Facilities Grant | HC&OP | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 |
| Total Housing | | 280,000 | 280,000 | 280,000 | 280,000 | 280,000 |
| Libraries | | | | | | |
| Library Self Service | SC | 350,000 | 0 | 0 | 0 | 0 |
| Total Libraries | | 350,000 | 0 | 0 | 0 | 0 |
| TOTAL | | 630,000 | 280,000 | 280,000 | 280,000 | 280,000 |

INDICATIVE CAPITAL PROGRAMME 2020-25**ANNEX 5**

| Children, Schools and Families | Scrutiny | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|--|----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | | |
| Secondary School Expansions | | | | | | |
| Scheme 4 New School Extra 6fe | C&YP | 6,000,000 | 4,008,000 | 0 | 0 | 0 |
| Total Secondary School Expansions | | 6,000,000 | 4,008,000 | 0 | 0 | 0 |
| Other | | | | | | |
| Schs Cap Maint & Accessibility | C&YP | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 |
| Admissions IT System | C&YP | 0 | 0 | 0 | 105,000 | 0 |
| Total Other | | 650,000 | 650,000 | 650,000 | 755,000 | 650,000 |
| TOTAL | | 6,650,000 | 4,658,000 | 650,000 | 755,000 | 650,000 |

| Environment and Regeneration | Scrutiny | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---|----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | | |
| Footways Planned Works | | | | | | |
| Repairs to Footways | SC | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Total Footways Planned Works | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Greenspaces | | | | | | |
| Parks Investment | SC | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 |
| Pay and Display Machines | SC | 0 | 0 | 0 | 0 | 60,000 |
| Total Greenspaces | | 325,000 | 325,000 | 325,000 | 325,000 | 385,000 |
| Highways General Planned Works | | | | | | |
| Surface Water Drainage | SC | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 |
| Highways bridges & structures | SC | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 |
| Maintain AntiSkid and Coloured | SC | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Total Highways General Planned Works | | 427,000 | 427,000 | 427,000 | 427,000 | 427,000 |
| Highways Planned Road Works | | | | | | |
| Borough Roads Maintenance | SC | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| Total Highways Planned Road Works | | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| Leisure Centres | | | | | | |
| Leisure Centre Plant & Machine | SC | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Total Leisure Centres | | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| On and Off Street Parking | | | | | | |
| Replacing Handheld Computers | SC | 0 | 35,000 | 0 | 0 | 0 |
| Total On and Off Street Parking | | 0 | 35,000 | 0 | 0 | 0 |

INDICATIVE CAPITAL PROGRAMME 2020-25**ANNEX 5**

| Environment and Regeneration | Scrutiny | Updated Budget 20/21 | Updated Budget 21/22 | Updated Budget 22/23 | Updated Budget 23/24 | Updated Budget 24/25 |
|---|----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Street Lighting | | | | | | |
| Street Lighting Replacement Pr | SC | 290,000 | 290,000 | 290,000 | 290,000 | 290,000 |
| Total Street Lighting | | 290,000 | 290,000 | 290,000 | 290,000 | 290,000 |
| Street Scene | | | | | | |
| Street Tree Programme | SC | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Total Street Scene | | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Traffic and Parking Management | | | | | | |
| Traffic Schemes | SC | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 |
| Total Traffic and Parking Management | | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 |
| Transport and Plant | | | | | | |
| Replacement of Fleet Vehicles | SC | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Total Transport and Plant | | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| Waste Operations | | | | | | |
| Alley Gating Scheme - Fly Tip | SC | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Total Waste Operations | | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| TOTAL | | 4,217,000 | 4,252,000 | 4,217,000 | 4,217,000 | 4,277,000 |

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

** Negative growth in the capital programme is as a result of reduction when compared to the approved (15/18) and indicative (18/19) programme.

Please Note

- 1) At present the programme contains no provision for the transport implementation costs of the South London Partnership.
- 2) Excludes expenditure budgets relating to Disabled Facilities Grant
- 3) Excludes expenditure budgets relating to Transport for London Grant .
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools.
- 5) Excludes re-provision costs for Customer Contact and Social Care Information Technology Systems

LONDON BOROUGH OF MERTON TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION

1.1 Background

London Borough of Merton's treasury management activities include the management of its 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.

The Council is required to update and approve its policy framework and strategy for treasury management, annually, to reflect the changing market environment, regulation, and the Council's financial position. The key issues and decisions are:

- a) To set the Council's Prudential Indicators for 2016/17 to 2018/19
- b) Approve the Minimum Revenue Provision (MRP) policy for 2016/17; and
- c) To agree the Treasury Management Strategy for 2016/17.

1.2 Statutory Requirement

The Local Government Act 2003 (the Act) as amended and supporting regulations, require the Council to 'have regard to' the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of practice to set Prudential and Treasury Indicators for the next three years and to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. The Council has adopted CIPFA's revised Code of Practice on Treasury Management.

1.3 Balanced Budget Requirement

Section 33 of the Local Government Finance Act 1992 requires the Council to set a balanced budget. This means that cash raised during the year will meet cash expenditure. Part of the treasury management function is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Cash yet to be used are invested in low risk and good credit quality counterparties or instruments with the consideration first for adequate liquidity and security before investment return.

The other main function of treasury management is the funding of the Council's capital plans. These capital plans provide a guide to the long or short-term borrowing need of the Council, essentially the longer term cashflow planning, to ensure that the Council can meet its capital spending obligations. The management of longer term cash may involve arranging long or short dated loans, or using longer term cashflow surpluses. Subject to S151 Officer's

approval, any debt previously drawn may be restructured or repaid to meet the Council's risk or cost objectives.

1.4 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:

Capital Issues

- To determine the Council's capital plans and prudential indicators for 2016/17 to 2018/19;
- To approve the Minimum Revenue Provision (MRP) policy for 2016/17.

Treasury Management Issues

- To agree the Council's treasury management strategy for 2016/17
 - current treasury position as at 31 January 2016;
 - treasury indicators which limit the treasury risk and activities of the Council;
 - prospects for interest rates;
 - borrowing strategy;
 - policy on borrowing in advance of need;
 - debt rescheduling and early repayment of debt review;
 - Annual Investment Strategy and alternative investment instruments (Policy on new lending and borrowing instruments);
 - creditworthiness policy;
 - Treasury Management Practices (**Appendix 5**);and
 - cash flow policy

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Communities and Local Government (CLG) MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

2. CURRENT TREASURY POSITION

2.1 Use of the Council's Resources and the Investment Position

The application of resources (capital receipts and reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources, for example, asset sales.

The table below shows the position as at 31 January 2016.

| Year End Resources | 2014/15 Actual £'000 | 31 January 2015 Actual £'000 | 31 March 2015/16 Estimate £'000 | 31 March 2016/17 Estimate £'000 |
|--|-------------------------------------|---|--|--|
| Investments | 86,100 | 98,550 | 79,600 | 72,200 |
| Interest on investments | 842 | 286 | 797 | 747 |
| Borrowing | | | | |
| Long-term Borrowing | 116,976 | 116,976 | 116,976 | 116,976 |
| Short-term Borrowing | | | | |
| Total External Debt | 116,976 | 116,976 | 116,976 | 116,976 |
| Interest on External Debt | | | | |
| Long-term | 6,686 | 6,686 | 6,682 | 6,696 |
| Short-term | 1 | 1 | | |
| Total Interest on External Debt | 6,687 | 6,687 | 6,682 | 6,696 |

Interest on investments figures above do not include interest from policy investments.

3. CAPITAL PRUDENTIAL INDICATORS 2016/17 - 2019/20

The Council is required to calculate various indicators for the next 3 years. The aim of prudential indicators is to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The prudential indicators set out in **Appendix 6** are calculated for the Medium Term Financial Strategy (MTFS) period. The indicators relate to capital expenditure, external debt and treasury management.

The Council will monitor performance against the indicators and prepare indicators based on the Statement of Accounts (SoA) at year end.

3.1 Capital Expenditure

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 capital expenditure plans.

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 programs however these are fully funded and do not have any MRP implications.

The 2015/16 figures have been adjusted for finance lease implications.

Members are asked to approve the capital expenditure forecasts:

| Capital Expenditure | 2014/15 Actual £'000 | 2015/16 Estimate £'000 | 2016/17 Estimate £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 |
|-----------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Children Schools & Families | 23,495 | 14,619 | 13,998 | 19,829 | 12,990 | 4,955 |
| Community & Housing | 1,257 | 1,611 | 2,074 | 1,055 | 629 | 280 |
| Corporate Services | 2,742 | 6,831 | 7,565 | 5,196 | 2,977 | 2,795 |
| Environment & Regeneration | 9,149 | 14,123 | 15,658 | 12,664 | 15,474 | 4,277 |
| | - | - | - | - | - | - |
| Total | 36,643 | 37,184 | 39,296 | 38,743 | 32,070 | 12,307 |

The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

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 31 January 2016.

| Capital Expenditure | 2014/15 Actual £'000 | 2015/16 Estimate £'000 | 2016/17 Estimate £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 |
|--|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Capital Expenditure | 36,643 | 37,184 | 39,296 | 38,743 | 32,070 | 12,307 |
| Slippage* | - | -1,860 | -3,811 | 1,229 | 2,399 | 1,325 |
| Total Capital Expenditure | 36,643 | 35,324 | 35,485 | 39,972 | 34,469 | 13,632 |
| Financed by: | | | | | | |
| Capital Receipts | 0 | 14,654 | 22,699 | 3,034 | 900 | 900 |
| Capital Grants & Contributions | 29,676 | 19,097 | 10,925 | 9,751 | 9,108 | 4,971 |
| Capital Reserves | - | - | - | - | - | - |
| Revenue Provisions | - | 1,574 | 1,635 | 5,786 | 20 | 2 |
| Other Financing Sources | - | - | - | - | - | - |
| Net financing need for the year | 6,967 | 0 | 226 | 21,401 | 24,441 | 7,759 |

*In the above table slippage includes slippage in from the previous year and out to the following year.

3.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator, Capital Financing Requirement (CFR), is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. In other words, a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR includes any other long-term liabilities like PFI schemes and finance leases which have been brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, it should be noted that these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The Council has no Housing Revenue Account (HRA) and no new PFI scheme in 2016/17 is expected. Public Health capital projects are fully funded therefore have no CFR implications. The 2015/16 forecast movement in CFR shows a decrease of £9,246k because the expenditure to be funded from borrowing in 2015/16 is less than the amount of MRP charged in the year.

The current projection as at 31 January 2016 for 2015/16 year end is an estimated cash balance of £79.6m. The current cashflow forecast has been based on assumptions in the MTFS and capital programme spend forecast after slippage. The 2015/16 forecast £35.32m, 2016/17 £35.49m, and 2017/18 £39.97m are based on best estimates which may slip due to unforeseen circumstances and the nature of large projects and the level of grant income. Also, fees and charges for the Council may change. Based on current forecasts the earliest the Council may borrow is end of 2017/18 in anticipation for 2018/19. However, the Council can borrow in advance of need if rates fall and borrowing becomes a lot more advantageous than it currently is.

The Council is asked to approve the CFR projections below:

| | 2014/15 Actual £'000 | 2015/16 Estimate £'000 | 2016/17 Estimate £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Capital Financing Requirement | | | | | | |
| CFR (non-housing) | 207,826 | 198,580 | 190,058 | 203,150 | 219,342 | 218,361 |
| Total CFR | 207,826 | 198,580 | 190,058 | 203,150 | 219,342 | 218,361 |
| Movement in CFR | (4,140) | (9,246) | (8,521) | 13,092 | 16,192 | (981) |
| Movement in CFR represented by | | | | | | |
| Net financing need for the year (above) | 1,089 | 0 | 226 | 21,401 | 24,441 | 7,759 |
| Less Capital MRP/VRP | 3,987 | 7,396 | 6,948 | 6,802 | 6,660 | 7,262 |
| Less Other MRP/VRP (leasing, PFI) | 685 | 1,253 | 1,159 | 821 | 855 | 690 |
| Less Other MRP/VRP – PFI – Partial termination | 557 | 597 | 640 | 686 | 735 | 788 |
| Less Other financing movements <ul style="list-style-type: none"> • Adjustment of PFI Liability • Adjustment of MRP | | | | | | |
| Movement in CFR | (4,140) | (9,246) | (8,521) | 13,092 | 16,192 | (981) |

Actual and estimates of the ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream. The indicator shows the proportion of the income received from Council tax, Revenue Support Grant (RSG) and National Non-Domestic Rate (NNDR) that is spent on paying the borrowing associated with delivery of capital investment i.e. principal and interest charges of long-term borrowing.

The table below shows the monetary values for the above ratio

| | 2014/15 Actual £'000 | 2015/16 Estimate £'000 | 2016/17 Estimate £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 |
|--|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Net Revenue Financing Costs | 18,385 | 16,044 | 15,540 | 14,665 | 14,388 | 15,317 |
| Net Financing Stream | 162,542 | 155,016 | 147,597 | 139,240 | 133,123 | 129,145 |
| Ratio of Financing Costs to Net Revenue Stream (Non HRA) | 11.31% | 10.35% | 10.53% | 10.53% | 10.81% | 11.86% |

Estimates of the incremental impact of capital investment decisions on council tax.

The table below shows the incremental impact of changes in the capital programme (incorporating the effects of changes in treasury forecasts and investment decisions) on the band D Council tax. Council tax has remained the same since 2011/12 therefore there has been little or no incremental impact on Council tax band D properties.

| | 2014/15 Actual | 2015/16 Estimate | 2016/17 Estimate | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Incremental Change in Capital Financing Costs (£000) | 1,830 | -2,341 | -504 | -876 | -277 | 930 |
| Council Tax Base | 68,087 | 69,638 | 71,327 | 71,684 | 72,042 | 72,402 |
| Incremental Impact on Council Tax - Band D*** (£) | £26.88 | -£33.61 | -£7.07 | -£12.22 | -£3.85 | £12.84 |
| Council Tax - Band D (£) | 1,106.56 | 1,106.45 | 1,106.45 | 1,106.45 | 1,106.45 | 1,106.45 |

***2015/16 is actual council tax amounts, 2016/17 is proposed. However the Council tax base for future years is an average of future years.

4. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP),

although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). The Council has not made any provision for VRP in its capital expenditure.

For capital expenditure incurred before 1 April 2008 or by Supported Capital Expenditure, the MRP policy follows CLG regulations (option 1). This provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be based on the Asset Life Method – CLG regulations (option 3).

This option will be applied for any expenditure capitalised under a capitalisation direction. It should be noted that this option provides for a reduction in the borrowing need over the approximate life of the asset.

The Council is required to have regard for the Local Government Involvement in Health Act 2007. This amended the Local Government Act 2003 enabling the Secretary of State to issue guidance on accounting practices and thus on MRP. Also, the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) specifies that “A local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent”. Any MRP implications on how the Council will pay for unfinanced capital assets through revenue will be included in the MRP policy.

| Category | Depreciation (Years) |
|-----------------------------------|----------------------|
| Assets valued over £1m | |
| Buildings | 50 |
| Mechanical & Electrical | 20 |
| External | 20 |
| Assets valued under £1m | |
| Buildings | 40 |
| Infrastructure (roads etc) | 25 |
| Computer software | 5 |
| Computer hardware | 5 |
| Large vehicles – e.g. buses, RCVs | 7 |
| Small vehicles – e.g. cars, vans | 5 |
| Other equipment e.g. CCTV | 5 |

| MRP years where there is no depreciation equivalent | |
|---|----|
| Land | 50 |
| Revenue Expenditure Funded by capital Under Statute e.g. Redundancy costs | 20 |

5. TREASURY MANAGEMENT STRATEGY

5.1 The Prospects for Interest Rates and Economic Forecasts

Consideration is given to economic and interest rate forecasts because they provide likely investment rates (bank rates), likely borrowing rates (PWLB), credit risk profile thereby giving some latitude on when to borrow, repay and invest. However as with every forecast there is also the likelihood of economic factors not following forecasts.

The following table gives the central position on the Council's treasury management adviser's view on interest rates.

| Annual Average % | Bank Rate (%) | PWLB Borrowing Rates (%) | | | |
|------------------|---------------|--------------------------|---------|---------|---------|
| | | 5 year | 10 year | 25 year | 50 year |
| March 2016 | 0.50 | 2.00 | 2.60 | 3.40 | 3.20 |
| June 2016 | 0.50 | 2.10 | 2.70 | 3.40 | 3.20 |
| Sept 2016 | 0.50 | 2.20 | 2.80 | 3.50 | 3.30 |
| Dec 2016 | 0.75 | 2.30 | 2.90 | 3.60 | 3.40 |
| March 2017 | 0.75 | 2.40 | 3.00 | 3.70 | 3.50 |
| June 2017 | 1.00 | 2.50 | 3.10 | 3.70 | 3.60 |
| Sept 2017 | 1.00 | 2.60 | 3.20 | 3.80 | 3.70 |
| Dec 2017 | 1.25 | 2.70 | 3.30 | 3.90 | 3.80 |
| March 2018 | 1.25 | 2.80 | 3.40 | 4.00 | 3.90 |
| June 2018 | 1.50 | 2.90 | 3.50 | 4.00 | 3.90 |
| Sept 2018 | 1.50 | 3.00 | 3.60 | 4.10 | 4.00 |
| Dec 2018 | 1.75 | 3.10 | 3.60 | 4.10 | 4.00 |
| Mar 2019 | 1.75 | 3.20 | 3.70 | 4.10 | 4.00 |

Source: Capita Asset Services

The Bank of England November 2015 Inflation Report included a forecast for GDP growth to be around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand supported by a recovery in wage inflation, declining CPI inflation, and investment expenditure. However, the Report highlighted weakness in some global economic data and volatile financial markets, and their potential impact on growth.

Also, the Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013.

However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase. However, more falls in the price

of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation.

Therefore, there is considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to start increasing rates.

Weakening UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast in the form of it being pushed further back.

The US economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3. The run of strong monthly increases in non-farm payrolls figures for growth in employment in 2015 prepared the way for the Fed to embark on its long awaited first increase in rates by 0.25% at its December meeting.

The accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by the Bank of England Monetary Policy Committee (MPC).

In the Eurozone, the European Central Bank (ECB) rolled out a massive €1.1 trillion programme of quantitative easing, in January 2015, to buy up high credit quality government and other debt of selected Eurozone countries.

This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. At the ECB's December 2015 meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases.

The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3.

Financial markets were disappointed by the ECB's lack of decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the Eurozone and getting inflation up from the current level of around zero to its target of 2%.

5.2 Borrowing Strategy

Current Borrowing Portfolio Position

The table below shows the CFR as at 31 January 2015 against the gross debt

position of the Council. The gross debt includes other long-term liabilities like PFI and finance lease obligations. Gross debt should not exceed CFR in the medium to long-term.

Estimated debt may change as the capital programme spends and financing changes. The lease balances do not include adjustments for new implications in 2015/16.

| | 2014/15 Actual £'000 | 2015/16 Estimate £'000 | 2016/17 Estimate £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 |
|--|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| External Debt at 1 April | 116,976 | 116,976 | 116,976 | 116,976 | 113,010 | 113,010 |
| Expected change in Debt (repayment and new debt)**** | 0 | 0 | 0 | 3,966 | 0 | 0 |
| Closing External Debt | 116,976 | 116,976 | 116,976 | 113,010 | 113,010 | 113,010 |
| PFI Balance b/f | 20,449 | 19,524 | 18,664 | 17,959 | 17,164 | 16,480 |
| In year movement | -925 | -860 | -705 | -795 | -684 | -1,554 |
| Closing Balance PFI | 19,524 | 18,664 | 17,959 | 17,164 | 16,480 | 14,926 |
| | | | | | | |
| PFI Partial Termination Balance b/f | 15,767 | 15,210 | 14,613 | 13,973 | 13,287 | 12,552 |
| In year movement | -557 | -597 | -640 | -686 | -735 | -788 |
| Closing Balance Partial Termination PFI | 15,210 | 14,613 | 13,973 | 13,287 | 12,552 | 11,764 |
| TOTAL PFI | 34,734 | 33,277 | 31,932 | 30,451 | 29,032 | 26,690 |
| Finance Leases at 1 April | 140 | 328 | 299 | 88 | 33 | 6 |
| Expected Change in Finance Leases | 188 | -29 | -211 | -55 | -27 | 0 |
| Closing Balance Finance Leases | 328 | 299 | 88 | 33 | 6 | 6 |
| Salix Loan | 41 | 33 | 26 | 19 | 12 | 6 |
| Salix in year movement | -8 | -7 | -7 | -7 | -6 | -4 |
| Closing Balance Salix | 33 | 26 | 19 | 12 | 6 | 2 |
| Actual gross debt at 31 March | 152,071 | 150,578 | 149,015 | 143,506 | 142,054 | 139,708 |
| Capital Financing Requirement | 207,826 | 198,580 | 190,058 | 203,150 | 219,342 | 218,361 |
| Under/(over) borrowing | -55,755 | -48,002 | -41,043 | -59,644 | -77,288 | -78,653 |

****£3.966m of long-term debt matures in 2017/18

The table above shows the CFR forecast for 2015/16 and 2016/17. Also, there is no maturing debt until 2017/18 hence little borrowing pressure therefore the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cashflow has been used as a temporary measure. PFI and finance lease portion of the CFR will not be funded by additional loan. Capital forecasts relating to 2018/19 and 2019/20 are very much subject to change at this stage.

The Council's decision to use internal borrowing is prudent as it eliminates the revenue cost of carry as investment returns remain low, there is sometimes slippage on capital programme budgets and counterparty risks remain to a degree. The Council can fund its entire borrowing requirement now if this is affordable. In which case, borrowing will be up to CFR.

Against this background, the Director of Corporate Services will continue to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances to maximise short-term savings. However when interest rates begin to rise, the Council will consider borrowing in advance of need than current forecast requirements show. The duration of loans will be driven by the current loan portfolio, affordability, the position on internal borrowing and borrowing rates.

Council's Year End Balance Sheet Position at 31 March 2015

| | 2013/14 | 2014/15 | Change |
|--|----------------|----------------|---------------|
| | £'000 | £'000 | £'000 |
| CFR | 214,060 | 207,826 | 6,234 |
| PFI and LEASES | -36,831 | -35,062 | -1,769 |
| Underlying Borrowing Requirement | 177,229 | 172,764 | 4,465 |
| External Borrowing | 116,676 | 116,976 | -300 |
| Under borrowing / Internal borrowing to date | -60,253 | -55,755 | -4,498 |

Strategy to 'Unwind' Internal Borrowing

Internal borrowing at 31 March 2016 remains at sustainable levels. However, the Council will commence a review of its strategy to 'unwind' internal borrowing.

Debt Liability Benchmarking

In defining its borrowing strategy, the Council considered the true characteristics of all of the debt instruments in its portfolio, most especially the LOBOs and the various options available to the Council.

Consideration was given to the fact that in the current economic climate the LOBOs in the Council's portfolio will not be called due to their very high interest rate. Should they be called, replacement borrowing will not be required

because the council will have cash available in 2016/17 to meet the call options based on the current estimates of the use of internal borrowing for the capital programme.

If all LOBOs are called at once (an unlikely event) then future estimated use of cash to temporarily fund the capital programme may be affected.

All counterparties were contacted in 2015 and most responded and cited a minimum rate they would consider reviewing the call option on the LOBO as being over 3%. Bank of England rate is currently 0.50% with rates not expected to rise to 0.75% before Q4 2016.

The borrowing strategy to temporarily finance its capital programme, led the Council to consider setting a minimum amount of projected liquid cash of £10m. This means that cash outflows for capital purposes would primarily be met from cash investments until £10m was reached, and only at that point, would external borrowing be undertaken except if interest rates fall well below its borrowing trigger rate for long-term loans, then the Council will borrow in advance of need or where interest rates are expected to rise significantly and quickly.

The Council will continue to review, throughout the year, its options around higher and lower levels of cash-backed balances.

Treasury Risk Analysis - Debt

Whilst it is not mandatory for Local Authorities to adopt the CIPFA Risk Toolkit produced by CIPFA's Treasury Management Panel, the Council will continue to utilise and adopt the risk tool kit and participate in the risk study in 2016/17 as there are some merits for the Council in managing its integrated treasury management portfolio and in considering risk mitigation options for its treasury management review process and benchmarking with its peers.

5.3 Treasury Indicators: Limits to Borrowing Activity

Operational Boundary - this is the limit beyond which external borrowing is not normally expected to exceed.

| Operational boundary £'000 | 2014/15 Actual £'000 | 2015/16 Estimate £'000 | 2016/17 Estimate £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 |
|--------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| External Debt | 116,976 | 116,976 | 116,976 | 113,010 | 113,010 | 113,010 |
| Other Long-term Liabilities | 35,062 | 33,602 | 32,039 | 30,496 | 29,044 | 26,698 |
| Operational Boundary | 152,038 | 150,578 | 149,015 | 143,506 | 142,054 | 139,708 |

Authorised Limit for External Borrowing

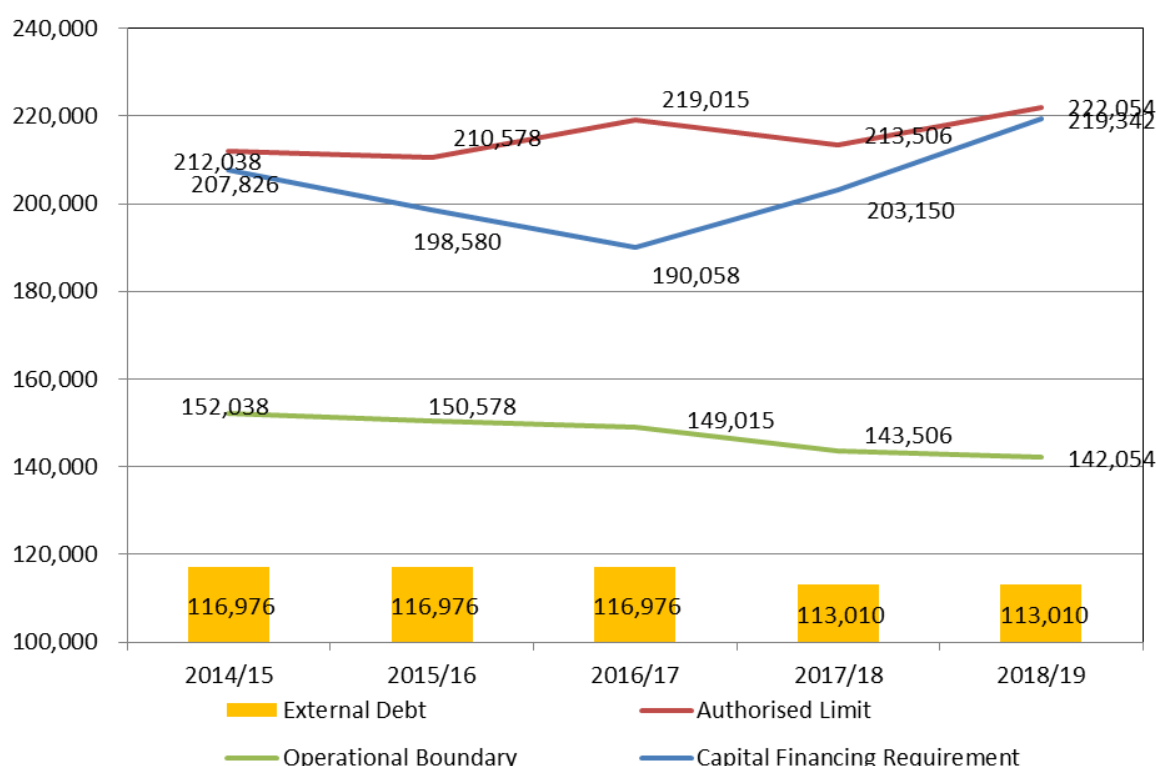
This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. It represents a limit beyond which external borrowing must not go over in the 3 years, and this limit when set is to be revised

annually by Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short-term, but is not sustainable in the longer term.

The Council is asked to approve the following authorised limit:

| | 2014/15 Actual £'000 | 2015/16 Estimate £'000 | 2016/17 Estimate £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 |
|-----------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| External Debt | 152,038 | 150,578 | 149,015 | 143,506 | 142,054 | 139,708 |
| Other Long-term Liabilities | 60,000 | 60,000 | 70,000 | 70,000 | 80,000 | 80,000 |
| Authorised Limit | 212,038 | 210,578 | 219,015 | 213,506 | 222,054 | 219,708 |

Members are required to note that these authorised limits shows the gross maximum borrowing for the year and, in year regulatory accounting changes which may affect the level of debt in the balance sheet as well as allow for any potential overdraft position and short-term borrowing for cashflow purposes. All of which will be counted against the overall borrowing. The authorised limit also provides headroom for any debt rescheduling which may occur during the year and any borrowing in advance of need.



5.4 Treasury Management Limits on Activity

The table below shows the debt related treasury activity limits.

Members are asked to note that the maturity structure guidance changed in the CIPFA 2011 guidance notes for Lenders Option Borrowers Option (LOBO) Loans, the maturity dates is now deemed to be the next call date.

As interest rates begin to rise, it may be beneficial for the Council to go into some variable rate investments to avoid being locked into long-term investments at low rates in a period of rising interest rates or shorter duration borrowing to gain advantage of low rates.

The table below shows the fixed and variable interest rate exposure

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|----------------|----------------|----------------|----------------|----------------|
| Interest Rate Exposures | Upper Estimate | Upper Estimate | Upper Estimate | Upper Estimate | Upper Estimate |
| Upper limit for fixed interest rates based on net debt | 100% | 100% | 100% | 100% | 100% |
| Upper limit for variable interest rates based on net debt | 50% | 50% | 50% | 50% | 50% |
| Limits on fixed interest rates: | | | | | |
| • Debt only | 100% | 100% | 100% | 100% | 100% |
| • Investments only | 100% | 100% | 100% | 100% | 100% |
| Limits on variable interest rates | | | | | |
| • Debt only | 50% | 50% | 50% | 50% | 50% |
| • Investments only | 50% | 50% | 50% | 50% | 50% |

The table below shows the Limits on the Maturity Structure of Borrowing

| | Maturity Structure of fixed interest rate borrowing 2016/17 | | | Maturity Structure of variable interest rate borrowing 2016/17 | | |
|----------------------|---|-------|-------|--|-------|-------|
| | Actual at 31/01/2016 | Lower | Upper | Actual 31/01/2016 | Lower | Upper |
| Under 12 months | 1.71% | 0% | 60% | 0% | 0% | 50% |
| 12 months to 2 years | 1.68% | 0% | 60% | 0% | 0% | 50% |
| 2 years to 5 years | 0.00% | 0% | 60% | 0% | 0% | 50% |
| 5 years to 10 years | 26.08% | 0% | 80% | 0% | 0% | 50% |
| 10 years to 20 years | 14.53% | 0% | 100% | 0% | 0% | 50% |
| 20 years to 30 years | 11.54% | 0% | 100% | 0% | 0% | 50% |
| 30 years to 40 years | 27.36% | 0% | 100% | 0% | 0% | 50% |
| 40 years to 50 years | 17.10% | 0% | 100% | 0% | 0% | 50% |

Local Indicators

In setting the indicators below, the Council has taken into consideration investment risks and returns.

The table below shows target borrowing and investment rates

| | 2014/15 Actual % | 2015/16 Estimate % | 2016/17 Estimate % | 2017/18 Estimate % | 2018/19 Estimate % | 2019/20 Estimate % |
|--|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Average Investment Target Return | 0.78% | 0.84% | 0.75% | 0.75% | 1.00% | 1.25% |
| Average Investment Target – Property Fund | n/a | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% |
| Long Term Borrowing Target | | | | | | |
| • Current Portfolio | 5.72% | 5.72% | 5.72% | 5.72% | 5.72% | 5.72% |

The average investment target return above is based on the expected target return for the stated periods.

5.5 Policy on Borrowing in Advance of Need

London Borough of Merton will not borrow more than, or in advance of its need, purely in order to profit from the investment of the extra sums borrowed.

Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Should interest rates reach 3.00% or less for PWLB 25 year loan then, borrowing in advance could be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 24 months in advance of need. Where possible rates will be locked using forward borrowing to reduce the risk of the Council holding cash in low interest rate environment.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism. The probability of this happening is low.

However should the Council need to borrow in advance of need, then the following will apply.

| Year | Maximum Borrowing in advance | Notes |
|---------|---|--|
| 2016/17 | No more than 50% of under borrowing requirement | Borrowing in advance will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the period of the approved Medium Term Capital Programme, a maximum of 2 years in advance to reduce carrying costs. |
| 2017-18 | No more than 50% of under borrowing requirement | |
| 2018-19 | No more than 50% of under borrowing requirement | |
| 2019-20 | No more than 50% of under borrowing requirement | |

5.6. Debt Rescheduling

Long-term fixed rates have remained relatively unchanged over the past three years. Although borrowing costs remain historically attractive, redemption rates are prohibitive.

The table below shows the maturity profile of the Council's current debt as at 31 January 2016.

| Duration | £'000 | % of Debt Portfolio |
|------------------|----------------|---------------------|
| less than 1 year | 0 | 0.00 |
| 1 - 2 years | 3,966 | 3.39 |
| 2 - 5 years | 0 | 0.00 |
| 5 -10 years | 30,510 | 26.08 |
| 10 -15 years | 4,500 | 3.85 |
| 15- 20 years | 12,500 | 10.69 |
| 20 - 25 years | 0 | 0.00 |
| 25-30 years | 13,500 | 11.54 |
| 30 - 35 years | 0 | 0.00 |
| 35-40 years | 32,000 | 27.36 |
| 40 -45 years | 0 | 0.00 |
| 45-50 years | 20,000 | 17.10 |
| Total | 116,976 | 100.00 |

All of the Council's LOBOs are past their non call period, however, should all LOBOs be called at their next interest due date then the maturity profile will be as shown in the table below, an event which is very unlikely in the current low interest rate environment.

| Duration | £'000 | % of Debt Portfolio |
|------------------|----------------|---------------------|
| less than 1 year | 63,000 | 53.86 |
| 1 - 2 years | 1,966 | 1.68 |
| 2 - 5 years | 0 | 0.00 |
| 5 -10 years | 26,510 | 22.66 |
| 10 -15 years | 0 | 0.00 |
| 15- 20 years | 3,500 | 2.99 |
| 20 - 25 years | 0 | 0.00 |
| 25-30 years | 0 | 0.00 |
| 30 - 35 years | 0 | 0.00 |
| 35-40 years | 22,000 | 18.81 |
| 40 -45 years | 0 | 0.00 |
| 45-50 years | 0 | 0.00 |
| Total | 116,976 | 100.00 |

The Council tests the markets for redemption opportunities should they exist. The PWLB loans portfolio was elected for the early redemption review as at 16

January 2016. A total loan value of £52m would incur redemption costs of £21million in addition to any accrued interest due.

The high cost of early redemption is not economically viable in current markets. However there may be cases where the Council is able to negotiate with the counterparty (**Appendix 1**).

The Director of Corporate Services will continue to review and identify any potential for making savings and provide Cabinet with updates when such opportunities arise. Any rescheduling activity will be reported to Cabinet at the earliest meeting following the transaction.

Use of Derivatives

The Council may use derivatives for risk management purposes in line with relevant statutory powers, recommended accounting practices and legal opinions on the use of derivatives by Local Authorities in the UK.

5.7 Borrowing Options

The Council will use a number of borrowing sources. These include the Public Works Loans Board (PWLB maturity, EIP or annuity loans), Market loans, Municipal Bond Agency, Retail Bonds, Loans from other Local Authorities and temporary loans. It is hoped that borrowing rates will be lower than those offered by the PWLB. The Council intends to make use of this new source of borrowing as and when appropriate.

5.8 Changes Which may Affect Treasury Management

- Future Regulatory Changes to Money Market Fund Valuation

Proposed EU legislative changes will require money market funds with constant net asset value to change to variable net asset value. This will mean that investors in the fund will be liable for their share of losses as a result of counterparty failure. Consultation continues on the expected changes.

- Proposed Changes to Leasing

Future changes to accounting for leasing may mean that the cost of service will increase along with increases in MRP and CFR which will affect the Council's underlying borrowing requirement. It is anticipated that there may be some impact on both capital and revenue income and the changes will require all leases to be included on the balance sheet and be measured on PV of future lease payments. The new lease standard (IFRS 13) issued in 2015 is not anticipated to be adopted until 2019/20.

- Municipal Bond Agency

It is likely that the Municipal Bond Agency currently in the process of being set up will be offering loans to local authorities in the near future. It is also hoped that borrowing rates will be lower than those offered by the PWLB.

- National Infrastructure Bill and Proposed Changes to the Governance of the Public Works Loans Board (PWLB)

It is expected that the role of the PWLB Commissioners will be removed and the PWLB in time will be renamed but not abolished. There is an expectation that the current lending arrangements will remain in place going forward. The background to the development is that there is a bill currently going through the House of Lords called the National Infrastructure Bill.

- Future Challenges to Local Government Funding
Future challenges to local government funding and their effect on cash flow remains a challenge.

6. ANNUAL INVESTMENT STRATEGY

6.1 Investment Policy

London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

6.2 Investment Strategy

The Council does not place cash with fund managers as all of its cash is managed in-house. Base rate is forecast to remain at 0.50% till Q4 2016. The forecast rates have been built on the basis that bank rate is expected to remain unchanged until around the fourth quarter of 2016, however if interest rates do not rise then future income expectations may not be met. Local indicators /benchmark for investments set is included in paragraph 5.4 of this report.

In order to maximise returns, cash available for investments will be split into three categories;

- Operational cash (under 3 months)
- Core cash (available for 3 to 6 months)
- Strategic cash (available for over 6 months)

The aim is to invest strategic cash for a minimum period of 12 months to enable the Council to secure advantageous rates, taking account of counterparty risk. However this is also constrained by counterparty risk. Operational cash will predominantly be lent overnight or for periods less than three months.

6.3 Alternative investment instruments

The Council has in the past restricted its treasury activities to simple investment structures like fixed deposits and money market funds. However, in the current market, regulatory and economic environment, the Council may be required to utilise various instruments. **Appendix 5** of this report gives a detailed overview of the types of instrument and investment options available to the Council.

The global financial crisis of 2008 led to a major overhaul of regulation, market practices and financial institutions across the world. The changes have been aimed at promoting greater transparency and investor confidence. Some of these measures include more institution-level regulatory changes like stringent capital, leverage and liquidity requirements in addition to The European Union (EU) Directives on Bank Recovery and Resolution (BRRD)

and Deposit Guarantee Schemes (DGSD) among a few are key in this reform. Although these changes are ultimately designed to make financial systems more robust, they are not expected to have a fundamental impact on insolvency creditor hierarchy.

Although the Council does not expect a fundamental change in type of instruments it uses in the delivery of its treasury management activities, a number of new instruments have been included to provide flexibility should there be changes in the economic environment which may warrant their use. As with any investment, there are varying degrees of risk associated with each instrument or investment options.

Should the Council decide to invest in any asset class a comprehensive analysis will be conducted to understand the associated risk and each instrument will be signed off by the Director of Corporate Services prior to any activity.

6.4 Investment Treasury Indicator and Limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end.

| | 31 Dec 2015 Actual £'m | 2015/16 Estimate £'m | 2016/17 Estimate £'m | 2017/18 Estimate £'m | 2018/19 Estimate £'m | 2019/20 Estimate £'m |
|---|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Estimated Principal sums invested greater than 364 days | 5m | 18m | 40m | 40m | 30m | 30m |

In addition to fixed deposits, a number of other financial instruments like Property funds will fall under the category of investments with duration exceeding 364 days. In addition to using money market funds, call accounts and notice accounts, the Council will seek to utilise other liquid and transferable instruments like certificate of deposits and gilts for its cashflow balances.

6.5 Use of Specified and Non-Specified Investments

Investment instruments identified for use in the financial year are as follows:

Specified Investments

These are sterling investments of not more than one-year maturity, or those which could be for a longer period where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended with:

- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
- The investment is not a long-term investment;
- The making of the investment is not defined as capital expenditure]; and

- The investment is made with a body or in an investment scheme of high credit quality or with one of the following public-sector bodies:
 - The United Kingdom Government;
 - A local authority in England or Wales (as defined under section 23 of the 2003 Act).

Non-Specified Investments

Non-Specified investments are defined as those not meeting the above criteria and exceeding 365 days in duration.

6.6 Investment Risk Benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change

Revenue Pressures – 0.1% improvement on £20m is £20k income generated and the cost of no risk is lost revenue therefore risks must be balanced to the Council's risk appetite.

Security - The Council's maximum security risk benchmark for the current portfolio:

- Liquidity – in respect of this area the Council seeks to maintain:
 - Bank overdraft - £1m
 - Liquid short-term deposits of around £5m or more available with one day access.

6.7 Risk Management and Creditworthiness Policy

This Council applies the creditworthiness service provided by Capita Asset Services. 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.

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:

- Yellow 5 years
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25

- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

| 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 | £35m | 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 | |
| Limit 3 category – Council's banker | Lloyds bank | £5m | 1 day |
| Other institutions limit | - | £5m | 1yrs |
| DMADF | AAA | unlimited | 6 months |
| Local authorities | n/a | £5m | 1yrs |
| | Fund rating | Money Limit | Time Limit |
| Money market funds | AAA | £35m | Instant |
| Enhanced money market funds with a credit score of 1.25 | Dark pink / AAA | £25m | Instant |
| Enhanced money market funds with a credit score of 1.5 | Light pink / AAA | £10m | Instant |

The Capita Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

6.8 Country and Sector Limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix 3**. This list will be added to, or deducted from by officers should ratings change in accordance with this policy.

6.9 Banking Arrangements

The Council's bankers are Lloyds bank. The Council's bank accounts include some school accounts and client bank accounts managed as part of its Appointeeship role for residents that require this support. All schools are responsible for the management of their bank accounts.

CHAS 2013 Limited is a wholly owned subsidiary of L.B Merton. It is a service offering Health and Safety pre-qualification assessments to nationally recognised standards. The company uses the Council's bank account, although steps have been taken to open a separate bank account for the company in 2016/17.

From time to time the Council may open bank accounts with other banks for specific reasons, subject to approval by the Director of Corporate Services.

- 6.10 Lending to Community Organisations, Other Third Parties and RSLs** - Any loans to or investments in third parties will be made under the Well Being powers of the Council conferred by section 2 of the Local Government Act 2000 or Localism Act of 2012.

The Well Being power can be exercised for the benefit of some or all of the residents or visitors to a local authority's area. The power may also be used to benefit organisations, schools, local enterprises, local companies or even individuals. Loans of this nature will be under exceptional circumstances and must be approved by Cabinet or by delegated authority to the Director of Corporate Services. Authorisation from the Financial Conduct Authority (FCA) will also be sought where applicable.

Where it is deemed necessary, additional guarantees will be sought. This will be via security against assets and/or through guarantees from a parent company. The Council will also consider other factors like the statutory powers in place, reasonableness of the investment, FCA, objective and revenue earnings for the Council, MRP requirements, accounting issues and categorisation of the expenditure as capital or revenue. In other instances, the Council may receive soft loans from government agencies.

6.11 Non-Treasury Investment Lending

The Council may be required to make policy investments for the good of its community by lending to local organisations and in some cases schools. Legal agreements are drawn which stipulate the terms of the loan which includes the ability of the organisation to make repayments. The Council may also lend to its wholly owned companies.

- 6.12 Comparative Reviews** - The Council participates in various comparative and benchmarking clubs.

7. Cashflow Management

- 7.1** CIPFA requires all monies to be under the control of the responsible officer and for cashflow projections to be prepared on a regular and timely basis. Cashflow provides outline of operations. Actuals and forecast are recorded using Logotech systems. At the end of each day the net receipts and payments is either invested or borrowed to ensure that the Council's bank account is kept at a minimum.

Forecasts are based on best estimates which may slip due to unforeseen circumstances and the nature of large projects. The Council can borrow in advance of need if rates fall and borrowing becomes a lot more advantageous than it currently is.

7.2 Purchase and Corporate Credit Cards

The use of corporate credit cards like other accounts payable methods carries significant risks. The Director of Corporate Services is responsible for ensuring that the Council has appropriate controls in place to protect the Council's funds.

8. Policy on the use of External Service Providers

The Council recognises CIPFA's guidance on Treasury Management that the responsibility for Treasury Management cannot be delegated outside the authority and recognises that any external service provider used by the Council is to support the in-house Treasury Management function. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. The Council is aware of the CIPFA Treasury Management Advisors Regulation and Services issued in March 2010.

The Council is also mindful of the requirements of the Bribery Act 2011 as amended in its dealings with external providers. A copy of the Council's policy can be found in the link below.

http://www.merton.gov.uk/democratic_services/w-agendas/w-nonexecreports/1115.pdf

9. Training

A key outcome of the recent investigations into Local Authority investments is the need to ensure that all relevant Treasury Management staff receive appropriate training and knowledge in relation to these activities. Training is provided in-house on the job, via CIPFA seminars and training courses, treasury adviser seminars and training courses and sometimes counterparties conduct training. In addition, members of the team attend national forums and practitioner user groups.

10. The Localism Act

- 10.1 A key element of the Act is the "General Power of Competence": "A local authority has power to do anything that individuals generally may do." CIPFA emphasise that where the legality of the use of derivatives is confirmed, then there is a need for a framework for their use. The Council currently does not use derivatives. Should the need for the use of derivatives arise as a requirement for managing its interest rate exposure or hedging its investments, the Council will take legal advice and report to members before use.

11. Treasury Management Practices

- 11.1 The 2011 Code reinforces a framework of 12 Treasury Management practices (TMPs), which define the manner in which authorities seek to achieve the policies and objectives outlined in their Treasury Management policy statement. The Council's detailed Treasury Management practices approved in March 2012/13 can be found on the Council's intranet. An updated version is included as **Appendix 5**

12. Appendices**12.1** Appendix 1– Early Repayment of Debt Estimate

Appendix 2 – Policy Investments (Non-Treasury Management Investments)

Appendix 3 – Approved Countries for Investment

Appendix 4 – The Treasury Management Role of the S151 Officer

Appendix 5 – Treasury Management Practices 2016/17

Appendix 6 – Prudential Indicators for 2015/16 to 2018/19

Appendix 7 – Glossary

Appendix 8 – Cashflow Forecast

13. Background Papers

- CIPFA Prudential Code for Capital Finance in Local Authorities 2013 Edition
- 2015/16 Treasury Management Strategy report
- The Guide to Local Government Finance (2013 Edition) Module 4: Treasury Management
- CIPFA Practical Considerations in Using Financial Instruments to Manage Risk in the Public Sector
- London Borough of Merton Capital Strategy 2016/20

APPENDIX 1 – Early Repayment of Debt Estimates for a Selection of Debt

SECTION 5

PWLB loan Early Redemption Estimates at 16 January 2016

| Internal Reference No. | Lender | Last Date Interest was Paid | Loan Start Date | Loan Term (yrs) | Loan Maturity Date | Loan Principal Outstanding (£) | Loan Rate (%) | Term left on Loan (Yrs) | Next Interest Due Date | Discount Rate (%) | Accrued Interest to 16 Jan 2016 (£) | Premium/Discount (£) | Total Due (£) |
|------------------------|--------|-----------------------------|-----------------|-----------------|--------------------|--------------------------------|---------------|-------------------------|------------------------|-------------------|-------------------------------------|----------------------|---------------|
| 1000484711 | PWLB | 31/10/2015 | 13/11/2000 | 24 | 31/10/2024 | 5,000,000 | 5.000 | 8.9 | 30/04/2016 | 1.460 | 54,109.59 | 1,454,093.81 | 6,508,203.40 |
| 1000484981 | PWLB | 31/10/2015 | 30/11/2000 | 24 | 31/10/2024 | 1,500,000 | 4.750 | 8.9 | 30/04/2016 | 1.460 | 15,421.23 | 405,421.07 | 1,920,842.30 |
| 1005489969 | PWLB | 20/11/2015 | 20/05/2005 | 30 | 20/05/2035 | 2,500,000 | 4.450 | 19.4 | 20/05/2016 | 2.250 | 17,982.88 | 858,551.09 | 3,376,533.97 |
| 1005490706 | PWLB | 21/11/2015 | 21/11/2005 | 26 | 21/11/2031 | 1,000,000 | 4.250 | 15.1 | 21/05/2016 | 2.0600 | 6,753.42 | 294,711.13 | 1,301,464.55 |
| 1005490967 | PWLB | 25/07/2015 | 10/01/2006 | 50 | 25/07/2055 | 10,000,000 | 3.950 | 39.6 | 25/01/2016 | 2.240 | 191,547.95 | 4,468,188.25 | 14,659,736.20 |
| 1005490976 | PWLB | 25/07/2015 | 10/01/2006 | 50 | 25/07/2055 | 5,000,000 | 3.950 | 39.6 | 25/01/2016 | 2.240 | 95,773.97 | 2,234,094.12 | 7,329,868.09 |
| 1006491475 | PWLB | 28/10/2015 | 28/04/2006 | 45.5 | 28/10/2051 | 7,000,000 | 4.400 | 35.9 | 30/04/2016 | 2.280 | 69,194.52 | 3,616,323.89 | 10,685,518.41 |
| 1097480120 | PWLB | 30/09/2015 | 15/10/1997 | 25.5 | 31/03/2023 | 310,000 | 6.625 | 7.2 | 31/03/2016 | 1.270 | 6,189.38 | 113,850.47 | 430,039.85 |
| 1097480121 | PWLB | 30/09/2015 | 15/10/1997 | 26.5 | 31/03/2024 | 12,000,000 | 6.500 | 8.2 | 31/03/2016 | 1.400 | 235,068.49 | 4,724,495.53 | 16,959,564.02 |
| 1097480232 | PWLB | 30/09/2015 | 11/11/1997 | 26.5 | 31/03/2024 | 1,700,000 | 6.750 | 8.2 | 31/03/2016 | 1.400 | 34,582.19 | 702,112.53 | 2,436,694.72 |
| 1098480925 | PWLB | 31/10/2015 | 30/04/1998 | 26 | 30/04/2024 | 6,000,000 | 5.875 | 8.3 | 30/04/2016 | 1.400 | 76,294.52 | 2,093,010.68 | 8,169,305.20 |
| | | | | | | 52,010,000 | | | | | 802,918.14 | 20,964,852.57 | 73,777,770.71 |

APPENDIX 2 – Policy Investments (Non-Treasury Management Investments)

| Type | Duration | |
|---|-----------------------|---------------------------|
| Joint Development Companies | One month to 10 years | Subject to specific terms |
| Loans to Registered Landlords | One month to 5 years | Subject to specific terms |
| Open Loan Facility to RCL's with an affiliation with Merton | One month to 5 years | Subject to specific terms |
| Loans to wholly owned companies | One month to 30 years | Subject to specific terms |
| Loan to any other type of organisation | One month to 10 years | Subject to specific terms |

APPENDIX 3 – APPROVED COUNTRIES FOR INVESTMENTS (as at 20 January 2016)

Below is the current list of approved countries for investments for use by the Council's treasury team. The countries on the Council's approved list may change from time to time as Sovereign ratings change.

This list is based on those countries which have sovereign ratings of AA- or higher and also, (except - at the time of writing - for Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Capita Asset Services credit worthiness service.

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium

APPENDIX 4

Treasury Management Role of the Section 151 Officer

The S151 Officer (Director of Corporate Services)

- recommending clauses, Treasury Management policy / practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular Treasury Management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the Treasury Management function;
- ensuring the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of Treasury Management external service providers.
- Approval of appropriate money market funds for the Council to invest in.

APPENDIX 5

LONDON BOROUGH OF MERTON
TREASURY MANAGEMENT PRACTICES 2016/17

TMP 1: RISK MANAGEMENT

The Director of Corporate Services – the responsible officer will implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy / suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

1.1 Credit and Counterparty Risk Management

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods and Techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

Policy on the use of credit risk analysis techniques

- The Council will use credit criteria in order to select creditworthy counterparties for placing investments with.
- Credit ratings will be used as supplied from all three rating agencies - Fitch, Moody's and Standard & Poor's.
- Treasury management consultants will provide regular updates of changes to all ratings relevant to the Council.
- The treasury manager will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising maturity periods, type, group, sector, country and counterparty limits.

1.2 Liquidity Risk Management

The Council will ensure it has adequate, though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it, at all times, to have the level of funds available to it which are necessary for the achievement of its business/service objectives. The Council will only borrow in advance of need where there is a clear business

case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The treasury management team shall seek to minimise the balance held in the Council's main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim. At the end of each financial day any unexpected surplus funds are transferred to the main bank account.

Bank overdraft arrangements – A £1 million net overdraft at 2% over base rate on debit balances has been agreed as part of the banking services contract. The overdraft is assessed on a group basis for the Council's accounts. Separate facilities are available for the Pension Fund bank account.

- a. Short-term borrowing facilities
The Council accesses temporary loans through approved brokers on the London money market.
- b. Special payments
Where an urgent clearing house automated payment system (CHAPS) payment is required, a CHAPS payment request form must be completed and forwarded to the Head of Transactional Services who then checks for correct required signatures and supporting paperwork. Further guidance can be found on the Council's intranet.
- c. Inter account transfer
From time to time, transactions occur between the Pension Fund and the Council. Reimbursement where necessary is by inter-account transfers between both bank accounts.

1.3 Interest Rate Risk Management and use of Derivatives

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

The Council does not use derivatives, the Council's S151 Officer will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives when used will be clearly stated to members. The treasury management strategy has full details of interest rate exposure limits.

Policies concerning the use of instruments for interest rate management.

- **Forward Dealing**

Consideration will be given to dealing for forward periods depending on market conditions. When forward dealing is more than a 364 day period forward, the approval of the Director of Corporate Services is required.

- **Callable Deposits**

The council may use callable deposits as part as of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Schedule of Specified and Non Specified Investments appended to the AIS.

Policy on Use of Lender's Option Borrower's Option (LOBO) Loans

LOBOs give the lender the option to propose an increase in the interest rate at pre-determined dates, and the borrower, the option to accept the new rate **or** redeem the loan without penalty.

Use of LOBOs is considered as part of the Council's annual borrowing strategy. All long-term borrowing must be approved by the S151 Officer.

1.4 Exchange Rate Risk Management

Occasionally, the Council has to make foreign exchange payments, the Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure.

1.5 Refinancing Risk Management

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies raised are managed, with a view to obtaining offer terms at renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

The Council will actively manage the relationships with counterparties in such a manner as to secure the above objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year. Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for rescheduling include:

- a) to generate cash savings at minimum risk;
- b) to reduce the average interest rate; and
- c) to amend the maturity profile and/or the balance of volatility of the debt portfolio

Any rescheduling will be reported to the Council at the meeting immediately following the action.

1.6 Legal and Regulatory Risk Management

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1 1.1 Credit and Counterparty Risk Management, it will ensure that there is evidence of counterparties powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

The Council will ensure that its treasury management activities comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council.

The Council's powers to borrow and invest are contained in the Local Government Act 2003, section 12 and Local Government Act 2003, section 1. The treasury management scheme of delegation is contained in the Corporate Services Scheme of Delegation. This document contains the officers who are authorised signatories. The Council's monitoring officer is the Assistant Director Corporate Resources while the S151 Officer is the Director of Corporate Services.

1.7 Fraud, Error and Corruption, and Contingency Management

Treasury tasks are segregated and adequate internal checks have been implemented to minimise risks and fraud. Procedures are documented and staff will not be allowed to take up treasury management activities until they have had proper training and are subject to an adequate and appropriate level of supervision.

Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out. Periodic backups will be made to ensure contingency of systems is available.

Details of Systems and Procedures to be Followed, Including Internet Services

The Council uses Logotech Treasury systems as its treasury management recording tool.

- The Corporate Services Scheme of Delegation sets out the delegation of duties to officers and the Council's constitution details delegated authority of treasury management to the Section 151 Officer.
- All loans and investments are negotiated by the Treasury Manager or other authorised persons.
- All long-term loans must be authorised by the Section 151 Officer.

1.8 Market Risk Management

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect it from the effects of such fluctuations. This is controlled mainly by setting limits on investment instruments where the principal value can fluctuate. The limits are detailed in the Treasury Management Strategy

TMP 1: SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS

This is included in the Treasury Management Strategy.

TMP 2: PERFORMANCE MEASUREMENT

2.1 Evaluation and Review of Treasury Management Decisions

Periodic Review During the Financial Year

The Director of Corporate Services will hold treasury management review meetings with the Treasury Manager, periodically or as required to review actual activity against the Treasury Management Strategy Statement (TMSS) and cashflow forecasts. This will include:

- Total debt (both on-and off- balance sheet) including average rate and maturity profile.
- Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.
- Cashflow forecast against the actual.

Annual Review After the end of the Financial Year

Annual Treasury Report will be submitted to the Full Council each year after the close of the financial year.

Comparative Review

Each year or on a quarterly basis, comparative review is undertaken to see how the Council's performance on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are set locally). Such reviews are: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club
- CIPFA Risk Study
- Other

2.2 Benchmarks and Calculation Methodology

2.2.1 Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

2.2.2 Investment

The performance of investment earnings will be measured against any of the following benchmarks:

- In-house benchmark and when necessary other benchmarks such as Bank of England base rate, 7-day LIBID uncompounded, 7-day LIBID compounded weekly, 1-month LIBID and 3-month LIBID compounded quarterly

Performance will also be measured against other local authority funds with similar benchmark and parameters managed by other fund managers using the CIPFA treasury management benchmark service.

2.3 Policy Concerning Methods for Testing Value-for-money in Treasury Management

The process for advertising and awarding contracts will be in-line with the Council's Contract Standing Orders and procurement guidelines.

2.3.1 Money-broking Services

From time to time, the Council will use money-broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. An approved list of firm of brokers is maintained by the Treasury Manager. The list takes account of both prices and quality of service. No firm of brokers will be given undue preference.

2.3.2 Consultants / Advisers Services

The Council's treasury management adviser is Capita Asset Services.

TMP 3: DECISION-MAKING AND ANALYSIS

3.1 Funding, Borrowing, Lending, and New Instruments/Techniques

3.1.1 Records to be kept

The following records will be retained:

- Daily cash balance forecasts for the day and previous day
- Money market deal booking and deal approval confirmation emails
- Dealing slips for all investment and borrowing transactions
- Brokers' confirmations for all investment and temporary borrowing transactions made through brokers

- Confirmations from borrowing / lending institutions including money market fund portals
- PWLB loan confirmations
- PWLB interest due schedule
- Certificates for market loans, local bonds and other loans
- Deal confirmation letters for deals over one month
- Banking and other contract documents which the treasury team has responsibility for.

3.1.2 Processes to be pursued

- Cashflow analysis
- Debt and investment maturity analysis
- Ledger/Logotech/Bank reconciliations
- Review of counterparty limits in addition to monitoring of counterparties
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc)
- Treasury contracts management

3.1.3 Issues to be addressed

3.1.3.1 In respect of all treasury management decisions made the Council will:

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive; and
- f) Ensure that adequate investigation on security of the Council's funds has been conducted

3.1.3.2 In respect of borrowing and other funding decisions, the Council will:

- a) Consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets
- b) Evaluate the economic and market factors that might influence the manner and timing of any decision to fund

- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, use of reserves, leasing and private partnerships; and
- d) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

3.1.3.3 In respect of investment decisions, the Council will:

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions; and
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital

TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

4.1 Approved Activities of the Treasury Management Operation

- Borrowing;
- Lending;
- Debt repayment and rescheduling;
- Consideration, approval and use of new financial instruments and treasury management techniques;
- Managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- Managing cash flow;
- Banking activities;
- Use of external fund managers (other than Pension Fund)
- Leasing;
- Undertaking all treasury management activities for the Pension Fund including its strategy setting.

4.2 Approved Instruments for Investments

English and Welsh authorities: The Annual Investment Strategy has a list of approved instruments.

4.3 Approved Techniques

- Forward dealing
- LOBOs – Lender's Option, Borrower's Option borrowing instrument
- Structured products such as callable deposits

4.4 Approved Methods and Sources of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003 and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

| On Balance Sheet | Fixed | Variable |
|---|--------------|-----------------|
| PWLB | ● | ● |
| EIB | ● | ● |
| Market (long-term) | ● | ● |
| Market (temporary) | ● | ● |
| Market (LOBOs) | ● | ● |
| Bonds administered by the Municipal Bond Agency | ● | ● |
| Stock issues | ● | ● |
| Local (temporary) | ● | ● |
| Local Bonds | ● | |
| Overdraft | | ● |
| Negotiable Bonds | ● | ● |
| Internal (capital receipts & revenue balances) | ● | ● |
| Commercial Paper | ● | |
| Medium Term Notes | ● | |
| Leasing (not operating leases) | ● | ● |
| Deferred Purchase | ● | ● |

Other Methods of Financing

Government and EC Capital Grants
 Lottery monies
 PFI/PPP
 Operating and Finance leases
 Revenue Contributions

Borrowing will only be done in British Pound Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Director of Corporate Governance has delegated powers in accordance with Financial Regulations, Standing Orders and Scheme of Delegation to Officers to take the most appropriate form of borrowing from the approved sources.

4.5 Investment Limits

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

4.6 Borrowing Limits

The Treasury Management Strategy Statement and Prudential and Treasury Indicators state all appropriate limits.

TMP 5: ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

5.1 Allocation of Responsibilities

(i) Council (Budget)

- Receiving and reviewing reports on treasury management policy, practice and activity; and
- Approval of annual strategy

(ii) Cabinet

- Approval of/amendments to the Council's adopted clauses, treasury management policy statement and treasury management practice;
- Budget consideration and approval;
- Approval of the division of responsibilities; and
- Receiving and reviewing regular monitoring reports and acting on recommendations.

(iii) Overview and Scrutiny Commission (Financial Monitoring Task Group)

- Reviewing all treasury management reports and making recommendations to the Cabinet

5.2 Principles and Practices Concerning Segregation of Duties

5.2.1 The following duties are undertaken by separate officers: -

| Tasks | Duties | Responsible Officer |
|--------------|--|-----------------------------------|
| Dealing | • Negotiation and approval of deal | Treasury manager |
| | • Entering of deal into Logotech | Treasury manager/ Fund officer |
| | • Sending confirmation letter to counterparty (to be signed by authorised signatory) | Treasury manager/ Fund officer |
| | • Checking of brokers and counterparty confirmation notes against Logotech | Fund officer |
| | • Reconciliation of FMIS Codes and reconciliation to bank statement | Fund officer Treasury manager |
| | • Sign off of reconciliations | Fund officer |

| | | |
|---------------------------------|---|-------------------------------|
| Accounting Entry | <ul style="list-style-type: none"> Processing of accounting entry into FMIS (bank reconciliation team) | Bank reconciliation team |
| Authorisation / Payment of Deal | <ul style="list-style-type: none"> Inputting CHAPS on Lloyds link Approval of CHAPS on Lloyds link and CHAPS form authorisation | Treasury manager/Fund officer |
| | | Authorisers per bank mandate |

5.3 Statement of the Treasury Management Duties/Responsibilities of Each Treasury Post

5.3.1 Responsible Officer

The Responsible Officer is the person charged with professional responsibility for the treasury management function and in this Council it is the Director of Corporate Services and is also the S151 Officer. This person or delegated persons will carry out the following duties: -

- a) Recommending clauses, treasury management policy / practices for approval, reviewing the same regularly, and monitoring compliance
- b) Submitting regular treasury management policy reports
- c) Submitting budgets and budget variations
- d) Receiving and reviewing management information reports
- e) Reviewing the performance of the treasury management function
- f) Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- g) Ensuring the adequacy of internal audit, and liaising with external audit
- h) Recommending the appointment of external service providers.
- i) The Responsible Officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The Responsible Officer may delegate her power to borrow and invest to members of her staff. The Treasury Manager, the fund officer. Treasury management team staff must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave / sickness.
- k) The Responsible Officer will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that

the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations

- m) It is also the responsibility of the responsible officer to ensure that the council complies with the requirements of The Non-Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

5.3.2 Treasury Manager

The responsibilities of this post will be: -

- a) Drafting the treasury management strategy and annual report
- b) Execution of transactions
- c) Adherence to agreed policies and practices on a day-to-day basis
- d) Maintaining relationships with counterparties and external service providers
- e) Supervising treasury management staff
- f) Monitoring performance on a day-to-day basis
- g) Submitting management information reports to the Responsible Officer; and
- h) Identifying and recommending opportunities for improved practices

5.3.3 Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented; and
- b) Ensuring that the Responsible Officer reports regularly to the full Council / Cabinet or General Purpose Committee on treasury policy, activity and performance.

5.3.4 Monitoring Officer

The responsibilities of this post will be: -

- a) Ensuring compliance by the Responsible Officer with the treasury management policy statement and treasury management practice and that they comply with the law
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice; and
- c) Giving advice to the Responsible Officer when advice is sought

5.3.5 Internal Audit

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practice
- b) Reviewing division of duties and operational practice
- c) Assessing value for money from treasury activity; and
- d) Undertaking probity audit of the treasury function

5.4 Absence Cover Arrangements

Cover for treasury management staff will be to specific delegated staff.

5.5 Dealing Limits

- No investment deal must exceed £5million per transaction
- No borrowing deal at any point in time must exceed £10 million except when existing loans are being repaid.

5.6 List of Approved Brokers

A list of approved brokers is maintained by the Treasury team and a record of all transactions conducted with them can be obtained from Logotech.

Policy on Brokers' Services

It is the Council's policy to rotate business between brokers.

5.7 Policy on Taping of Conversations

The Council currently does not tape conversations with brokers **but** ensures that confirmations are received from counterparties.

5.8 Direct Dealing Practices

The Council will deal direct with counterparties if it is appropriate and the Council believes that better terms will be available. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts
- Call Accounts
- Money Market Funds
- Gilt/CD purchase via custodian; and
- Fixed period account e.g. 15-day fixed period account

5.9 Settlement Transmission Procedures

A confirmation letter signed by an authorised signatory per the Council's bank mandate must be sent to the counterparty if the deal period exceeds one month. Copy of forms folder located in H:/techaccy/treasury/Daily Treasury for PF

For payments, any transfer to be made via Lloyds link CHAPS system must be completed by 2.00 p.m. on the same day to ensure it is authorised. Money market funds may have earlier cut-off time/deadlines.

5.10 Documentation Requirements

For each deal undertaken, a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker and confirmation fax, email or letter.

5.11 Arrangements Concerning the Management of Third-Party Funds.

The Council holds a number of trust funds, appointeeship and custody bank accounts. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded.

TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1 Annual Treasury Management Strategy Statement

1. The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted the cabinet and then to the Council (budget) for approval before the commencement of each financial year.
2. The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
3. The Treasury Management Strategy Statement is concerned with the following elements:
 - a) Prudential and Treasury Indicators
 - b) Current Treasury portfolio position
 - c) Borrowing requirement
 - d) Prospects for interest rates
 - e) Borrowing strategy
 - f) Policy on borrowing in advance of need
 - g) Debt rescheduling
 - h) Investment strategy
 - i) Creditworthiness policy
 - j) Policy on the use of external service providers
 - k) Any extraordinary treasury issue
 - l) MRP strategy
4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives.

6.2 Annual Investment Strategy Statement

At the same time as the Council receives the Treasury Management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) Which specified and non specified instruments the Council will use
- c) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- d) Which credit rating agencies the Council will use
- e) How the Council will deal with changes in ratings, rating watches and rating outlooks

- f) Limits for individual counterparties and group limits
- g) Country limits
- h) Levels of cash balances
- i) Interest rate outlook
- j) Budget for investment earnings
- k) Policy on the use of external service providers

6.3 Annual Minimum Revenue Provision Statement

This statement sets out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

6.4 Policy on Prudential and Treasury Indicators

1. The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
2. The Responsible Officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Responsible Officer shall submit the changes for approval to the full Council.

6.5 Other Reporting

- Annual report on treasury management activity
- Other management information reports

TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 Statutory / Regulatory Requirements

The accounts are drawn up in accordance with IFRS. The Council has adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to the Council's treasury management activity.

TMP 8: CASH AND CASHFLOW MANAGEMENT

8.1 Arrangements for Preparing Cashflow

Cashflow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous year's cashflow records, adjusted for known changes in levels of income and expenditure, new grant allocations and changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised

amounts to be paid or received as and when they are known. Logotech is used to record cashflow.

8.2 Bank Statements Procedures

The Council receives daily bank statements on a daily basis, download into the folder below. Estimates on Logotech cashflow is updated with actuals from bank statement.
H:\TECHACCY\TREASURY\Daily Treasury for GF General Fund Daily

TMP 9: MONEY LAUNDERING

9.1 Proceeds of Crime Act 2002 and Amendments

See Council's website and intranet for money laundering process and associated policies
http://intranet/anti_money_laundering_policy.pdf

9.2 The Terrorism Act 2000 and Amendment order

See Council's website and staff intranet on policy. Staff should note that all individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

9.3 The Money Laundering Regulations 2007 and Updates

The Council's money laundering officer is the Head of Audit. See Council's website and intranet for details http://intranet/anti_money_laundering_policy.pdf

Treasury management and banking staff are required to familiarise themselves with all money laundering regulations.

9.4 Procedures for Establishing Identity / Authenticity of Lenders

It is not a requirement under Proceeds of Crime Act (POCA) for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, the Council does not accept loans from individuals except during a bond issue.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website on **www.fca.gov.uk**.

9.5 Methodologies for identifying Deposit Takers

Other than those organisations mentioned in para section 6.10 and Appendix 2 of the treasury strategy, in the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list.

These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FCA Register can be accessed through their website on www.fca.gov.uk.

All transactions will be carried out by CHAPS, faster payments or BACS for making deposits or repaying loans.

TMP 10: TRAINING AND QUALIFICATIONS

The Council recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time.

In addition, training may be provided on-the-job, and it is the treasury manager's responsibility to ensure that treasury management staff receive appropriate training.

10.1 Details of Approved Training Courses

Treasury management staff and members will go on courses provided by the Council's treasury management consultants, CIPFA, money brokers etc.

10.2 Records of Training Received by Treasury Staff

Staff will keep records on their training.

10.3 Member Training Record

Member training will be provided as required.

TMP 11: USE OF EXTERNAL SERVICE PROVIDERS

11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Custodian Banks, Consultants, Advisers

This Council may employ the services of other organisations to assist it in the field of treasury management. However, it will ensure that it fully understands what services are being provided and that they meet the needs of the Council, especially in terms of being objective and free from conflicts of interest.

11.1.1 Banking Services

- a) The Council's supplier of banking services is Lloyds Bank. The bank is an authorised banking institution authorised to undertake banking activities in the UK by the FCA
- b) The branch address is:
Lloyds Banking Group
25 Gresham Street, London
EC2V 7HN

11.1.2 Money-Broking Services

The Council will use money brokers for temporary borrowing and investment and long-term borrowing. It will seek to give an even spread of business amongst the approved brokers.

11.1.3 Consultants'/Advisers' Services**Treasury Consultancy Services**

The Council receives mail shots on credit ratings, economic market data and borrowing data. In addition, interest rate forecasts, annual treasury management strategy templates, and from time to time, the Council may receive advice on the timing of borrowing, lending and debt rescheduling. The performance of consultants will be reviewed by the treasury manager to check whether performance has met expectations.

11.1.4 Custodian Banks

The Council will use the services of custodian banks when trading in most transferable instruments like treasury bills. Due procurement process will be followed in the procurement of this service. It should be noted that it is the borrower that pays in most cases and not the lender. Property fund on the other hand do not require custody services, the investor pays all fee.

11.1.5 Credit Rating Information

The Council receives notifications of credit ratings from Capita Asset Services.

11.2 Procedures and Frequency for Tendering Services

See TMP2

TMP 12: CORPORATE GOVERNANCE**12.1 List of Documents to be Made Available for Public Inspection**

- a. The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b. The Council has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

APPENDIX 6

PRUDENTIAL INDICATORS FOR 2015/16 TO 2018/19

| PRUDENTIAL INDICATORS | 2015/16 Probable Outturn £'000 | 2016/17 Forecast £'000 | 2017/18 Forecast £'000 | 2018/19 Forecast £'000 |
|--|---|---------------------------------------|---------------------------------------|---------------------------------------|
| 1. CAPITAL EXPENDITURE | | | | |
| a) Capital Expenditure (includes expenditure funded by supported, unsupported borrowing and other sources) | | | | |
| i) General Fund estimated as at 31/12/15 | 35,324 | 35,485 | 39,972 | 34,469 |
| Total as at 31/12/15 | 35,324 | 35,485 | 39,972 | 34,469 |
| b) In year Capital Financing Requirement (CFR) | | | | |
| i) General Fund (Gross of MRP costs) | 0 | 226 | 21,401 | 24,441 |
| Total in year CFR | 0 | 226 | 21,401 | 24,441 |
| c) Capital Financing Requirement as at 31 March (Balance Sheet figures) | | | | |
| i) General Fund (Net of MRP costs) | 198,580 | 190,058 | 203,150 | 197,373 |
| Total | 198,580 | 190,058 | 203,150 | 219,342 |
| | | | | |

| | | | | |
|---|----------|----------|----------------|----------|
| 2. AFFORDABILITY | | | | |
| a) Ratio of Financing Costs to net Revenue Streams | | | | |
| i) General Fund | 10.35% | 10.53% | 10.53% | 10.81% |
| b) General Fund Impact of Prudential (Unsupported) Borrowing on Band D Council Tax Levels (per annum) | | | | |
| i) In year Increase | -£33.61 | -£7.07 | -£12.22 | -£3.85 |
| ii) Cumulative Increase (includes MRP costs) | | -£40.68 | -£52.90 | -£56.75 |
| | | | | |
| 3. LONG-TERM EXTERNAL DEBT | | | | |
| a) Debt Brought Forward 1 April | 116,976 | 116,976 | 116,976 | 113,010 |
| Debt Carried Forward 31 March | 116,976 | 116,976 | 113,010 | 113,010 |
| Additional Borrowing | 0 | 0 | (3,966) | 0 |
| b) Operational Boundary for External Debt (Excludes Revenue Borrowing) | | | | |
| i) Borrowing | 150,578 | 149,015 | 143,506 | 142,054 |
| ii) Other Long-term Liabilities | 33,602 | 32,039 | 30,496 | 29,044 |
| c) Total Operating Debt (Excludes Revenue Borrowing) | 184,180 | 181,054 | 174,002 | 171,098 |
| Add margin for cashflow contingency | 26,398 | 37,961 | 39,504 | 50,956 |
| Affordable Borrowing Limit (Includes Revenue Borrowing) | 210,578 | 219,015 | 213,506 | 222,054 |
| Authorised Limit for External Debt (Includes Revenue Borrowing) | | | | |
| • Borrowing | 150,578 | 149,015 | 143,506 | 142,054 |
| • Other Long-term Liabilities | 60,000 | 70,000 | 70,000 | 80,000 |

| Authorised Borrowing Limit | 210,578 | 219,015 | 213,506 | 222,054 |
|--|--------------------|----------------|--------------------|----------------|
| | | | | |
| 4. TREASURY MANAGEMENT | | | | |
| a) Borrowing Limit – Upper Limit for Fixed Interest Rate Exposure Expressed as: Net Principal re Fixed Rate Borrowing/Investments | 210,578 | 219,015 | 213,506 | 222,054 |
| b) Borrowing Limit – Upper Limit for Variable Interest Rate Exposure Expressed as: Net Principal re Variable Rate Borrowing/Investments | 50% | 50% | 50% | 50% |
| c) Lending Limit – Upper Limit for Total Principal Sums Invested for Over 364 Days Expressed as a % of Total Investments | 50% | 50% | 50% | 50% |
| | | | | |
| d) Maturity Structure of new Fixed Rate Borrowing, if Taken During 2016/17 | LOWER LIMIT | | UPPER LIMIT | |
| i) Under 12 Months | 0 | | 10% | |
| ii) 12 Months to 24 Months | 0 | | 20% | |
| iii) 24 Months to 5 Years | 0 | | 30% | |
| iv) 5 Years to 10 Years | 0 | | 40% | |
| v) 10 Years and Above | 0 | | 100% | |

APPENDIX 7

GLOSSARY OF TREASURY MANAGEMENT TERMS**Accrued Interest**

Any interest that has accrued since the initial purchase or since the last coupon payment date, up to the date of sale/purchase

Basis Point

One hundredth of 1% e.g. 0.01%

Certificate of Deposit (CD)

A Tradable form of fixed deposit. They can be sold before maturity via the secondary market at a rate that is negotiable. Often issued by banks and Building Societies in any period from 1 month to 5 years.

Coupon

The total amount of interest a security will pay on a yearly basis. The coupon payment period depends on the security.

Covered Bond

Covered bonds are conventional bonds (fixed or floating) issued by financial institutions that are backed by a separate group of loans, usually prime residential mortgages or public sector loans.

Credit Rating

A measure of credit worthiness of a borrower. A credit rating can be assigned to a country, organisation or specific debt issue/ financial obligation. There are a number of credit ratings agencies but the main 3 are Standard & Poor's, Fitch and Moody's.

Credit risk

This is the risk that the issuer of a security becomes temporarily or permanently insolvent, resulting in its inability to repay the interest or to redeem the bond. The solvency of the issuer may change over time due to various factors.

Debt Management Office (DMO)

Debt Management Office is an executive agency of HM Treasury. They are responsible for debt management in the UK, in the form of issuing Treasury Bills and Gilts.

Financial Strength Rating

Rating criteria used by Moody's ratings agency to measure a bank's intrinsic safety and soundness.

Floating Rate Note (FRN)

An instrument issued by Banks, Building Societies and Supranational organisations which has a coupon that re-sets usually every 3 months. The refix will often be set at a premium to 3 month LIBOR.

Gilt

A UK Government Bond, sterling denominated, issued by HM Treasury

Index Linked Gilts

A government bond issued by the DMO whose coupon and final redemption payment are related to movement in the RPI (Retail Price Index)

Interest Rate Risk

The risk that an investment's value will change due to a change in the absolute level of interest rate. Interest rate risk affects the value of bonds more directly than stocks, and it's a major risk to all bond holders. As interest rates rise, bond prices fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a bond decreases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate

LIBOR

London Interbank Offered Rate: set on a daily basis. The rate at which banks lend to each other for different periods

Long Term

Duration in excess of 1 year

Net Asset Value (NAV)

Often used when funds or investment assets are valued. This term generally means the total assets less total liabilities.

Premium

The sale/purchase of an asset at a level that is above the par value or original price. If a security is trading at a premium, current market interest rates are likely to be below the coupon rate of the security.

Short Term

Duration of up to 1 year

Support Rating

Fitch Ratings Agency's assessment of extraordinary support given to a financial institution either by the parent and or sovereign.

Supranational Bond

A bond issued by a Supranational organisation (multi-lateral development banks). They are AAA rated organisations in which the share capital is jointly owned and guaranteed by leading developed nations in their respective region.

Treasury Bill (T-Bills)

A Treasury Bills is a short dated instrument issued by HM Treasury. They are issued at a discount, therefore they are not coupon bearing.

Viability Ratings

Assessment of a bank's intrinsic creditworthiness applied by Fitch Ratings Agency. Its aim was to enhance visibility on benefits of support. This replaced the individual ratings.

Yield Curve

The yield curve represents the relationship between yield and maturity. The conventional shape being that as the maturity lengthens, the yield will increase. Each security will have its own yield curve, depending on the yield in every time period available.

2015/16 Estimated Cash Flow Forecast December 2015 Position and 2016/17 to 2018/19 Forecast

APPENDIX 8

| Description | 2013/14 Actual £000 | 2014/15 Actual £000 | 2015/16 Year to Date (Three quarters to Dec 2015) Actual £000 | 2015/16 Jan - March Forecast £000 | 2015/16 Year end Forecast as at Dec 2015 Forecast £000 | 2016/17 Forecast £000 | 2017/18 Forecast £000 | 2018/19 Forecast £000 |
|--|---------------------------|---------------------------|---|--|---|-----------------------------|-----------------------------|-----------------------------|
| Payments | | | | | | | | |
| Payroll Related Payments (including Schools)-net pay | 102,341 | 104,256 | 79,817 | 26,606 | 106,423 | 109,615 | 112,904 | 116,291 |
| Payroll related-HMRC | 37,906 | 37,321 | 27,409 | 9,136 | 36,545 | 37,642 | 38,771 | 39,934 |
| Payroll related-Teachers Pensions Authority | 12,232 | 13,010 | 6,319 | 2,106 | 8,425 | 8,678 | 8,938 | 9,207 |
| Payroll related-pension fund and disbursements and including back funding and added years | 22,710 | 36,259 | 11,470 | 3,823 | 15,293 | 15,752 | 16,225 | 16,711 |
| Service payments- (Premises, Transport, Supplies and Services and Third Party payments) and payments to preceptors | 341,332 | 339,403 | 298,670 | 156,498 | 455,168 | 457,610 | 476,217 | 482,939 |
| Transfer Payments-Housing Benefits | 91,560 | 92,065 | 70,885 | 23,628 | 94,513 | 97,349 | 100,269 | 103,277 |
| Bank Charges & Related Expenditure | 280 | 252 | 179 | 60 | 239 | 246 | 253 | 261 |
| NET Business Rates Retention Scheme (RSG) | 30,490 | 31,348 | 11,131 | 3,710 | 14,841 | 15,287 | 15,745 | 16,218 |
| Business Rates and CTax Refunds | 4,191 | 5,601 | 4,631 | 1,544 | 6,175 | 6,360 | 6,551 | 6,747 |
| Capital Payments | 31,624 | 37,118 | 23,305 | 7,768 | 31,073 | 32,006 | 32,966 | 33,955 |
| Total Payments | 674,666 | 696,633 | 533,816 | 234,880 | 768,696 | 780,544 | 808,839 | 825,540 |
| Receipts | | | | | | | | |
| Business Rates Receipts | -90,044 | -91,292 | -75,669 | -25,223 | -100,892 | -103,919 | -107,036 | -110,247 |
| Council Tax Receipts | -101,963 | -103,301 | -88,853 | -29,618 | -118,471 | -122,025 | -125,686 | -129,456 |
| DWP - Housing Benefit Subsidy & Admin Grant & Discretionary Housing Payment grant&S31 Grant) | -105,598 | -87,289 | -71,225 | -23,742 | -94,967 | -97,816 | -100,750 | -103,773 |
| Grants (Including Public Health Grants) | -221,440 | -228,412 | -197,069 | -65,690 | -262,759 | -270,641 | -278,761 | -287,123 |
| Other receipts-fees and charges | -61,310 | -73,621 | -56,570 | -18,857 | -75,426 | -77,689 | -80,020 | -82,420 |
| Payroll Recoupment | -80,631 | -82,897 | -62,052 | -20,684 | -82,736 | -85,218 | -87,775 | -90,408 |
| VAT Reimbursement | -19,251 | -24,247 | -15,689 | -5,230 | -20,919 | -21,546 | -22,193 | -22,858 |
| Total Receipts | -680,237 | -691,059 | -567,127 | -189,042 | -756,169 | -778,854 | -802,220 | -826,286 |
| 1. Net Cashflow (Revenue and Capital Cash) | -5,571 | 5,574 | -33,311 | 45,837 | 12,527 | 1,689 | 6,619 | -746 |
| | | | | | | | | |
| Interest Received on investments | -1,607 | -798 | -435 | -145 | -580 | -580 | -430 | -333 |
| Interest on Pooled Property Investment | 0 | 0 | -213 | -71 | -284 | -284 | -284 | -284 |
| Interest Paid on Debt inc DME | | -66 | 2,953 | 984 | 3,937 | 3,937 | 3,804 | 3,804 |
| 2. Interest-net (Net cash flow) | -1,607 | -864 | 2,305 | 768 | 3,073 | 3,073 | 3,090 | 3,187 |
| | | | | | | | | |
| B/F Cash Deposits Balance (SoA Note 9 Financial Instruments) | 80,000 | 80,000 | 86,100 | 103,035 | 86,100 | 58,538 | 53,775 | 44,066 |
| B/F Bank Balance (SoA Note 14 Cash and cash equivalents) | -530 | -182 | -252 | -3,091 | -252 | -200 | -200 | -200 |
| B/F ST Borrowing (SoA Note 9 Financial Instruments) | -8,000 | -1,170 | -11,910 | 5,000 | -11,910 | 0 | 0 | 0 |
| B/Fwd Total | 71,470 | 78,648 | 73,938 | 104,944 | 73,938 | 58,338 | 53,575 | 43,866 |
| Change in cash and investments (1+2) | -7,178 | 4,710 | -31,006 | 46,606 | 15,600 | 4,763 | 9,709 | 2,441 |
| C/F Cash Deposits Balance (SoA Note 14 Financial Instruments) | 80,000 | 86,100 | 103,035 | 58,538 | 58,538 | 53,775 | 44,066 | 41,625 |
| C/F Bank Balance (SoA Note 14 Cash and Cash Equivalents) | -182 | -252 | -3,091 | -200 | -200 | -200 | -200 | -200 |
| C/F ST Borrowing (SoA Note 9 Financial Instruments) | -1,170 | -11,910 | 5,000 | 0 | 0 | 0 | 0 | 0 |
| B/Fwd Total | 78,648 | 73,938 | 104,944 | 58,338 | 58,338 | 53,575 | 43,866 | 41,425 |
| | 0 | 0 | 0 | -0 | 0 | 0 | 0 | 0 |