

Merton Council

Budget/Council Tax Meeting Agenda

Membership:

The Mayor, Councillor David Williams

The Deputy Mayor, Councillor John Bowcott

Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Mark Betteridge, Margaret Brierly, Richard Chellew, David Chung, David Dean, John Dehaney, Nick Draper, Iain Dysart, Chris Edge, Suzanne Evans, Karin Forbes, Brenda Fraser, Samantha George, Suzanne Grocott, Maurice Groves, Gam Gurung, Jeff Hanna, Richard Hilton, James Holmes, Janice Howard, Mary-Jane Jeanes, Philip Jones, Andrew Judge, Linda Kirby, Gilli Lewis-Lavender, Logie Lohendran, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Krystal Miller, Ian Munn, Diane Neil Mills, Oonagh Moulton, Henry Nelless, Dennis Pearce, John Sargeant, Judy Saunders, Linda Scott, Rod Scott, Debbie Shears, David Simpson, Peter Southgate, Geraldine Stanford, Linda Taylor, Sam Thomas, Ray Tindle, Gregory Udeh, Peter Walker, Martin Whelton, Richard Williams, Miles Windsor and Simon Withey.

Date: Wednesday 6 March 2013

Start time: 7.15pm

Venue: Merton Civic Centre, London Road, Morden, Surrey in the Council Chamber

This is a meeting held in public and attendance by the public is welcomed.
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Budget/Council Tax Meeting Agenda

6 March 2013

1. Apologies for Absence

2. Declarations of Pecuniary Interest -

Members are reminded of the need to have regard to the items published with this agenda and, where necessary, to declare at this meeting any Disclosable Pecuniary Interest as defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Council's Assistant Director of Corporate Governance.

3. Minutes of the Council Meeting held on 12 September 2012 – Correction -

Council is asked to agree the following correction to the minutes of the 12 September 2012 identified subsequent to their formal approval by Council at its meeting held on 21 November 2012.

Agenda Item 7 - Motion 1 (Conservative)

That part of the Labour amendment as carried i.e.

“In the final paragraph, after “resolves to request Cabinet agree”, insert “to consult local schools and the School Sports Partnership on the following proposals.”

Therefore, that part of the Council resolution comprising recommendations to Cabinet is amended to read:

“Council resolves to request Cabinet agree to consult local schools and the School Sports Partnership on the following proposals:”

4. To approve the Minutes of the Council Meeting held on 6 February 2013 5

The following items are not included with this agenda but are available for inspection on the web page for the 6 February 2013 Council meeting:

- the priority questions and the replies to these and their associated supplementary questions and replies;
- the non-priority questions and the replies to these; and
- the public questions and the replies to these and their associated supplementary questions and replies.

5. Business Plan 2013-17 (forward plan ref: 1198)

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Order of Business – Part 4A, Paragraph 3.3 of the Constitution

- receive a presentation of the Budget/Council Tax report from the relevant officers
- officers to respond to questions from members via the Mayor
- to receive remarks from the Cabinet on the report
- Council to debate the report and take any motions or amendments

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(19:15 – 22:12)

PRESENT: The Mayor, Councillor David Williams
The Deputy Mayor, Councillor John Bowcott
Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Mark Betteridge, Margaret Brierly, Richard Chellew, David Chung, David Dean, John Dehaney, Nick Draper, Iain Dysart, Chris Edge, Suzanne Evans, Karin Forbes, Brenda Fraser, Samantha George, Suzanne Grocott, Maurice Groves, Gam Gurung, Jeff Hanna, Richard Hilton, James Holmes, Janice Howard, Mary-Jane Jeanes, Philip Jones, Andrew Judge, Linda Kirby, Gilli Lewis-Lavender, Logie Lohendran, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Krystal Miller, Ian Munn, Diane Neil Mills, Oonagh Moulton, Henry Nelles, Dennis Pearce, John Sargeant, Judy Saunders, Linda Scott, Rod Scott, Debbie Shears, David Simpson, Peter Southgate, Geraldine Stanford, Linda Taylor, Sam Thomas, Ray Tindle, Gregory Udeh, Peter Walker, Martin Whelton, Richard Williams, Miles Windsor and Simon Withey.

1 APOLOGIES FOR ABSENCE (Agenda item 1)

None advised.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda item 2)

None advised.

3 MINUTES (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 21 November 2012 are agreed as a correct record.

4 ANNOUNCEMENTS (Agenda Item 4)

Mayor's Announcements

It is with great sadness I begin my announcements by confirming to you the death of Honorary Alderman and Honorary Freeman of the Borough, Danny Connellan. I was partly responsible for ending his first period on the Council in 1974 as a member for Cannon Hill. He bounced back in Figges Marsh ward in 1986 and continued to represent it until 2006. During his service as a Councillor, Danny was Deputy Mayor in 1973-4 and Deputy Leader in 2000 -2006. He was also the go-between party groups and I was closely associated with him during that period, as well as serving with him as a magistrate on the Wimbledon Bench.

He was a Magistrate from 1979 – 1999 and I know that Councillor Edith Macauley recalls meeting Danny at the court before she became a Councillor, and he looked after her there as a mentor, especially using guidelines as and when there were bail

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

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applications.

He was described as both an old-school magistrate and I think an old-school Councillor, admired on all sides of the chamber for his depth of service to the community, for which he was made Honorary Freeman. I am now going to invite the Leader of the Council, the former Leader of the Council and some of the other party leaders to say a few words in his memory, following which I will then ask the Council to rise in memory of our friend, Honorary Freeman Danny Connellan.

Councillor Stephen Alambritis

No stranger to hard work, Honorary Alderman Danny Connellan started out life as a sheet metal worker. When he retired from a career in engineering he kept his four grandchildren busy as well as devoting his energies to people in Merton as an experienced Labour Councillor.

An enthusiastic football fan, Danny was a leading light on the campaign to save Tooting and Mitcham FC from going under, and he was very proud to see the club's new facilities in the borough, and I know Mr Mayor, you're aware that's in Ravensbury ward.

First elected for Cannon Hill ward in 1971 with Councillor Philip Jones, he was key to ensuring that Merton was Labour controlled for the first time since its creation in 1965. In his first term on the Council he served as Deputy Mayor for 1973-74. When Labour took control in 1990, Danny became Chair of the Planning Committee, a position that he held for a number of years. In 2000, Danny became Deputy Leader of the Council, and from 2002 was the Cabinet Member responsible for the budget, when he successfully managed to keep Council tax rises down and reduce debt, which had been a problem for Merton Council for many years.

Danny was the font of all knowledge; when it comes to the history of Merton, he was second to none. It is hard to believe that he's now not with us. His wisdom and knowledge has been a huge asset to the Council and he will be greatly missed.

Councillor Andrew Judge

Danny Connellan made a great contribution to Merton and is a sad loss. He was someone who came to the Council with very wide experience of life. He came from a very large family. As a boy he came home to find his house damaged by a flying bomb. Fortunately nobody was injured. He spent his national service in the RAF and was posted to Palestine where he helped defend a base against terrorists, and one of his friends was killed next to him.

He was always a sportsman and played a range of sports. The RAF used to fly him home so that he could play Rugby League. In later years he enjoyed watching all kinds of sport. He also had a decisive role in the arrangements that enabled Tooting and Mitcham FC to move from dilapidated premises in Sandy Lane to their present ground. He was proud of the part he played in that and was made a life member of the club because of it.

He was a loving husband of Barbara, a father and grandfather, and was very close to

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his family. Our thoughts are with them at this time.

He was dedicated to Labour and to this Council. He had a principled approach to politics and was committed to locally maintained schools and Council housing. He loved the public debating side of politics and was good at tweaking the nose of opponents.

He had a long memory; Councillors will remember the history lessons that everyone looked forward to at Council meetings, always delivered with a gleam in the eye and without rancour. He had respect for opponents and maintained good relationships across the chamber. He told me he used to enjoy drinks with conservatives in the Prince of Wales pub opposite Wimbledon Town Hall during the breaks in long Council meetings.

He had a fund of stories for both public and private occasions and a great sense of humour. He loved to talk ten to the dozen and was great fun to be with.

One of his greatest interests was planning. As Chair of Planning Committee, he introduced a procedure that allowed objectors to speak. He had a strong sense of fairness and understood that everyone needed an opportunity to have their say. He chaired meetings with politeness but also firmness. On one occasion, some very rude objectors who had been barracking the meeting announced that they were walking out. That, he said, was the best decision they'd made all evening, and everyone laughed.

He was particularly careful to ensure that the planning application for the mosque in London Road was dealt with fairly. That the mosque is there today is much to his credit.

When I became Leader in 2001 he was already Deputy Leader. It was often a busy time and we had many complex and difficult issues to deal with. He was a very good friend to me and was solid in his support at all times.

He was a great judge of character and always gave good advice on tactics and approaches. One of his responsibilities was the complete schools reorganisation from three to two tier schools. Danny led on the PFI tendering process for the expansion of secondary schools and conducted negotiations with the preferred bidders. He understood commercial motivations and knew how to handle contractors and developers.

As Cabinet Member with responsibility for Finance and Corporate Support, he supervised a series of budgets and, as we've heard, due to his work, the debt of the Council was substantially reduced, reserves were increased and resources invested in services. He also led on the introduction of new, more efficient financial systems.

In all his Council work, he always had a eye for the detail, even when it came to the Council's pension fund investments. For him, this was challenging because of his deteriorating eyesight, but he never failed to have a complete grasp of the facts. He had a strong sense at all times of what was in the interests of Merton and the Council.

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I learned more about local government from Danny than from anyone else. When it came to relationships with officers, his approach was a model – respectful but friendly. He liked good officers who knew their own minds, with clear recommendations on the way to proceed. As a consequence, he had excellent relations with officers in every area that he worked, and maintained some relationships even after he left the Council.

Danny Connellan was an outstanding Councillor who did great service to Merton. It was right he received Freedom of the Borough in 2006. He and Joe Abrams were tripped out in yellow ribbon for the occasion. Colleagues will remember that he reassured us that they hadn't joined the Liberal Democrats.

Whatever the circumstances, he remained cheerful. Once when we were canvassing, he felt unwell, but carried on. Later, he found out that he'd had a heart attack. He fought various debilitating conditions with good humour, even recently up to last days when he knew his condition was fatal, he remained in good spirits. Altogether he was a lovely man and will be remembered with affection and respect in this chamber for a very long time.

Councillor Geraldine Stanford

I'd already known Danny for some time before I joined the Council in 1990. I was actually offered a place in Lavender ward when I stood for the Council but I held out for a place in Figges Marsh ward because he was already a Councillor in that ward. So they offered the place to some guy called Tony Coleman, who some of you might remember, so who knows what might have happened if I'd stayed in Lavender.

Straight away Danny showed me the ropes. There was no training, induction, advice or anything at all. You just signed a bit of paper and were left to get on with it and pick things up as you went along. Danny persuaded me to go on Development Control as his vice-chair. We spent many hours going around the borough together, looking at planning sites, which was a very good way of getting to know all parts of the borough. Under Danny, Merton was one of the very first London boroughs to allow public representation at Planning meetings. This was scary stuff. Allowing public access to members making planning decisions resulted in some very hairy meetings. But Danny dealt with everything very calmly and fairly. I picked up my interest in planning through him and have continued to stay on that committee almost continuously ever since.

We'd speak on the phone very regularly, every Sunday evening at 7.30, the phone would go and I knew it was Danny phoning for his weekly chat. Even if I'd seen him the day before or he was away on holiday, he still phoned and this continued until very recently. He was delighted when I chose him as my principal consort when I became Mayor in 2006, although I did ask his wife's permission. We had an extremely enjoyable year together and he was very proud to be representing Merton.

He was well respected by all parties across the Council and by the many officers he worked with. I've been inundated with messages from current and past officers who are all saddened by the news of his death.

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At Council meetings, he put his point across with a great deal of good-natured and often mischievous banter. He was always polite and courteous – the perfect gentleman.

Danny and Barbara were childhood sweethearts. I don't think they were ever apart for any length of time. Even when we were at meetings, Danny would look at his watch and say "must go and pick up Barbara from the hairdressers now", or "I've got get home, she'll have my dinner on the table". He also had a very close-knit and loving family and was always talking about the achievements of his children and grandchildren. He was very, very proud of them. I went to their 60th wedding anniversary a few years ago and it was lovely to see the family altogether.

Danny battled many health problems over the past ten years or so, but he always pulled through. I always called him a tough old bird and he seemed indestructible. Even with this last health scare, many of us felt he'd pull through as he'd done so many times before. He was always positive and cheerful about the situation, never feeling sorry for himself, or if he did, he never showed it. My heart goes out to Barbara. She hasn't just lost a husband, but a lifelong friend. I too have lost one of my very best friends who I loved very much, and who I will always remember with great fondness.

Councillor Debbie Shears

I personally would like to pay my condolences to his family but also to his close colleagues on the Labour side. I think it's fair to say that those of us who knew Danny on this side regarded him as a true politician but as a gentleman. In everything he did, he was polite, he was courteous, he put his political point of view, but he did it in such a manner that we all respect.

There aren't many Councillors who come through Council life that are remembered by all members on all sides of the chamber, but also the residents he represented. He was somebody who touched everybody, it could have been a kind word here or a kind word there, and he was always willing to come and have a word with you if he thought there was a problem or something going on.

I know personally I will miss him, and I know many members in my group will. We extend our deepest sympathy to everyone. He was loved, he was a gentlemen and I think there's a brilliant epitaph if we can all go away and know we've done the best for Merton, but in such a way, that's the way to go.

Councillor Iain Dysart

Merton's lost another of its character. This means no more history lessons. Danny was a passionate advocate for what he believed but he always combined wit and mischief with courtesy and tolerance. Whilst necessarily businesslike, he was also one of those people who didn't take themselves too seriously. He always managed to generate laughs in the chamber and we were all laughing with him.

He was a West Barnes ward resident and would often pull my leg about what local Councillors were doing, as well as whatever shenanigans were going on within all of

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the parties.

Danny's generous accomplishments were well deserved and will outlive him. We'll retain many fond memories of a man who gave so many years of his life to public service.

Mayor

I do appreciate that there are people in the public gallery and indeed colleagues on all sides of the chamber who didn't know Danny Connellan but if you look at the board behind me, you'll see that there are very few people who have been made a Freeman of the Borough and he was one of the two remaining members. Only Allan Jones, who now lives in Australia, is still alive.

My other announcements largely relate to mayoral activities and I would like to thank you for your support of the charity lunch at Cannizaro House, and also the Bollywood Evening. Together with collections at carol singing in Centre Court and at railway stations, some £3000 has been added to the pot. Ticket sales for my charity ball on 9 March are going well and if you have not indicated to your respective group offices that you would like to attend, please do so without delay.

The biggest boost to the charitable trust is expected tomorrow when we receive £7500 prize money for our first place as a borough in the New Year's Day Parade. I am indebted to Councillor Geraldine Stanford, who led the whole team effort, and Councillor Linda Kirby, who wrote the catchy song that you may have seen and heard on the YouTube link that was circulated at the time.

I am now delighted to make two awards and I will step off the rostrum to do that. The details of these have been circulated around the chamber. The first will be to Superintendent Pete Dobson, who has become a familiar figure in Merton, with particular expertise around the security arrangements for the Wimbledon Championships. As he leaves the Police and steps into retirement, we wish to acknowledge his service to our community.

The second award is the Health Service Journal Award for an improved partnership between Health and Local Government and there are a number of people who will be stepping forward to receive that.

The Leader – none advised.

The Chief Executive – non advised.

At the invitation of the Leader, Councillor Debbie Shears made the following announcement:

Mr Mayor I am very pleased to say, on behalf of the Conservative Group, that we would like to nominate Councillor Krystal Miller to be the Mayor to succeed you in May. We would also like to warmly congratulate her on choosing Councillor John Sargeant to be her Deputy.

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5 QUESTIONS FROM THE PUBLIC (Agenda Item 5)

The questions and answers and oral supplementary questions and answers are detailed on the web page for this meeting.

6 QUESTIONS FROM COUNCILLORS (Agenda Item 6)

The priority questions and answers and oral supplementary questions and answers are detailed on the web page for this meeting.

The non-priority questions and answers are detailed on the web page for this meeting.

7 REPORT: SUSTAINABLE COMMUNITIES WITH A FOCUS ON CULTURE AND LIBRARIES (Agenda Item 7)

The submitted report was moved by Councillor Nick Draper and seconded by Councillor Stephen Alambritis.

Report received.

Motion 1 (Labour)

It was moved by Councillor Nick Draper and seconded by Councillor Peter Walker that:

“Council notes the investment both the current and previous administrations have made into self service technology in our libraries.

This investment, along with a hugely successful and nationally recognised volunteer programme, has ensured that, unlike many other councils facing reductions in their government funding, in Merton we have been able to:

- keep all our libraries open
- increase opening hours overall
- achieve the highest performing library service in London on cost versus performance.

However, council notes that we must continue to invest in new technologies if our libraries are to remain relevant to the needs of our residents and if we are to continue to protect them from the impact of reduced council funding.

In this context, the following recent developments in our libraries service are to be welcomed:

- new automated 24/7 telephone renewal line and access to over 6 million items of stock through the London Libraries Consortium
- new email system for overdue books reminders
- new ebooks and emagazines initiative which gives free access to over 8,000 epublications
- free web access to subscription services including Encyclopaedia Britannica and other reference and study resources
- free wifi to be available in all libraries by March 2013
- development of a libraries “app” for smartphone and ipad users to be launched

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later this year.

Council believes that the above initiatives, along with the decision to roll out automatic membership of our libraries to all school children in Merton, will ensure that our libraries are enjoyed by a new generation of users.

Council commends staff and volunteers on the transformation that has taken place in our libraries service and asks the Cabinet Member to continue to prioritise investment in appropriate new technologies where this will help secure the long term future of our libraries in a time of austerity.”

The Mayor put the motion to the meeting and there being none voting to the contrary, declared the motion to be carried.

RESOLVED: That the foregoing motion is agreed.

Motion 2 (Conservative)

It was moved by Councillor Gilli Lewis-Lavender and seconded by Councillor Samantha George that

“This Council recognises that residents in Merton greatly value their local facilities and services, and notes that there have been considerable efforts to protect and preserve a number of community assets that haven’t come to fruition, for example:

- The Campaign for Morden Tavern community group was unsuccessful in re-opening this locally listed building as a community pub despite considerable support from local residents.
- In June 2008 under the previous Government, five post offices closed in Merton (Sherwood Park Road; Green Lane; Coombe Lane; Wimbledon High Street; and Woodside Parade).
- The last Labour administration closed Wimbledon Park and Lower Morden libraries meaning that these community assets were lost to the borough.
- The Morley Park Trust has so far been thwarted in its attempts to take over the running of the future Morley Park playing fields situated in the Copse Hill area.

Some work is being undertaken by the Council on a potential Community Trust for Merton’s library services. This Council wants to see the community in Merton fully involved in the opportunity to protect and enhance vital amenities such as libraries, community centres, local shops, pubs, swimming pools, allotments, parks and post offices.

This Council therefore welcomes provisions within the recent Localism Act for the introduction of a new Community Right to Bid and Community Right to Challenge (in force since 2012), which have the aim of keeping amenities in community use by giving local people the chance to bid to buy or run these services. This will benefit the recreational, cultural and sporting wellbeing of residents in our area.

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This Council accordingly resolves to:

- a) Ask Cabinet to name a specific Cabinet Member to take forward this initiative.
- b) Raise awareness among Merton residents of the Community Rights Grants Programme, as well as the national website and telephone advice service, which are available to anyone working to keep vital facilities open in their neighbourhood.
- c) Operate a voluntary public log of organisations which have indicated they could be interested in running council services or bidding for community assets in Merton.
- d) Hold a public meeting within the next 3 months and invite interested community groups who might like to develop and run community assets, such as the Campaign for Morden Tavern, the Morley Park Trust and representatives of former post offices, to come and discuss their aspirations for local facilities with council officers and ward councillors, and then to report back to Full Council by the autumn.

Labour Amendment

It was moved by Councillor Andrew Judge and seconded by Councillor Mark Allison that Motion 2 is amended as follows:

In the first paragraph, delete all after “and notes that” down as far as “in the Copse Hill area” and insert:

“some would like to have a greater involvement in these.

One example of community involvement is in the council’s highly successful and cost-effective libraries, where local volunteers play a key role in their operation, thus helping to ensure the survival of this much valued service.”

At the beginning of the second paragraph (which starts “Some work is being undertaken”) insert:

“This council is constantly looking at new ways to keep providing valuable community services in this difficult financial environment and”

At the end of the third paragraph, after “wellbeing of residents in our area”, insert:

“Nonetheless, council notes that there will need to be extensive and sustained capacity building to ensure there is a genuinely level playing field between small local groups and big private sector providers with years of experience in bidding and delivering on local government contracts.”

Delete action point A) and replace with:

- a) Note that the Cabinet Member for Finance has responsibility for the Community Right to Bid and the Community Right to Challenge

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- b) Note that on 10 December 2012 Cabinet agreed processes for locally implementing both the right to bid and the right to challenge and further notes that information inviting groups to submit an Expression of Interest under the right to challenge has been added to the council's website. Information on how to nominate to the council's log of community assets will shortly be online as per the agreement of December Cabinet.

Renumber subsequent action points accordingly.

In exiting action point C) delete "Operate" and insert "Consider operating" and at the end of this action point add: "where this is not deemed potentially commercially sensitive for prospective bidders."

Delete existing action point D).

Motion now to read

This Council recognises that residents in Merton greatly value their local facilities and services, and notes that some would like to have a greater involvement in these.

One example of community involvement is in the council's highly successful and cost-effective libraries, where local volunteers play a key role in their operation, thus helping to ensure the survival of this much valued service.

This council is constantly looking at new ways to keep providing valuable community services in this difficult financial environment and some work is being undertaken by the Council on a potential Community Trust for Merton's library services. This Council wants to see the community in Merton fully involved in the opportunity to protect and enhance vital amenities such as libraries, community centres, local shops, pubs, swimming pools, allotments, parks and post offices.

This Council therefore welcomes provisions within the recent Localism Act for the introduction of a new Community Right to Bid and Community Right to Challenge (in force since 2012), which have the aim of keeping amenities in community use by giving local people the chance to bid to buy or run these services. This will benefit the recreational, cultural and sporting wellbeing of residents in our area. Nonetheless, council notes that there will need to be extensive and sustained capacity building to ensure there is a genuinely level playing field between small local groups and big private sector providers with years of experience in bidding and delivering on local government contracts.

This Council accordingly resolves to:

- a) Note that the Cabinet Member for Finance has responsibility for the Community Right to Bid and the Community Right to Challenge
- b) Note that on 10 December 2012 Cabinet agreed processes for locally implementing both the right to bid and the right to challenge and further notes that information inviting groups to submit an Expression of

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Interest under the right to challenge has been added to the council's website. Information on how to nominate to the council's log of community assets will shortly be online as per the agreement of December Cabinet.

- c) Raise awareness among Merton residents of the Community Rights Grants Programme, as well as the national website and telephone advice service, which are available to anyone working to keep vital facilities open in their neighbourhood.
- d) Consider operating a voluntary public log of organisations which have indicated they could be interested in running council services or bidding for community assets in Merton where this is not deemed potentially commercially sensitive for prospective bidders.

The Mayor put the amendment to the meeting and a roll-call was requested with the following result:

Voting for the amendment 31: Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Mark Betteridge, David Chung, John Dehaney, Nick Draper, Karin Forbes, Brenda Fraser, Gam Gurung, Jeff Hanna, Philip Jones, Andrew Judge, Linda Kirby, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Ian Munn, Dennis Pearce, John Sargeant, Judy Saunders, Peter Southgate, Geraldine Stanford, Sam Thomas, Gregory Udeh, Peter Walker, Martin Whelton and Richard Williams.

Voting against the amendment 28: Councillors John Bowcott, Margaret Brierly, Richard Chellew, David Dean, Iain Dysart, Chris Edge, Suzanne Evans, Samantha George, Suzanne Grocott, Maurice Groves, Richard Hilton, James Holmes, Janice Howard, Mary-Jane Jeanes, Gilli Lewis-Lavender, Logie Lohendran, Krystal Miller, Oonagh Moulton, Diane Neil Mills, Henry Nelles, Linda Scott, Rod Scott, Debbie Shears, David Simpson, Linda Taylor, Ray Tindle, Miles Windsor and Simon Withey.

Not Voting 1: The Mayor, Councillor David Williams.

The Mayor declared the amendment to be carried and this became the substantive motion.

The Mayor put the substantive motion to the meeting and there being none voting to the contrary, the Mayor declared the substantive motion to be carried.

It was, therefore

RESOLVED: That the substantive motion in the terms expressed in the foregoing Labour amendment is agreed.

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8 REPORTS OF COMMUNITY FORUMS (Agenda Item 8)

Reports received.

9 NOTICES OF MOTION (Agenda Item 9)

Motion 1 (Labour)

It was moved by Councillor Peter McCabe and seconded by Councillor Stan Anderson that:

“Council recalls and reiterates its decision at the full council meeting of 12 September 2012 to:

“vigorously oppose [...]the proposal to close accident and emergency and maternity services at St. Helier Hospital [and] resolves to continue to do everything in its power to keep St. Helier Hospital’s accident and emergency, maternity services and other related services open, including encouraging residents to respond to the consultation.”

Council notes that since 12 September 2012:

- The proposed consultation on the closure of St. Helier’s A&E, maternity services and other related services, due to start last autumn, has been suspended
- Epsom Hospital has now been included in the Better Services Better Value review
- On 9 January 2013 the review recommended that two hospitals out of St Helier, Epsom, Kingston or Croydon University Hospital should lose their A&E and maternity departments
- Consultation on these proposals will begin in spring or early summer

Council further notes that on 7 November 2012 the Leader of the Council received a comprehensive letter from the Secretary of State for Health which stated: “Where an OSC or Joint OSC is not content with the adequacy of the NHS’s consultation with it, or does not believe that the changes being proposed are in the interest of the local health service, it can refer the proposals to the Secretary of State for Health for a final decision.”

Council does not believe that the closure of St. Helier A&E, maternity services and other related services would be in the interests of the local health service.

Council therefore urges Merton’s Healthier Communities Overview and Scrutiny Panel to ensure that any proposals to close accident and emergency, maternity services and other related services at St. Helier hospital are referred to the Secretary of State for a final decision.”

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L/D Amendment

It was moved by Councillor Iain Dysart and seconded by Councillor Mary-Jane Jeanes that the final paragraph is amended to read:

“Council therefore urges the Healthier Communities Overview and Scrutiny Panel to ensure that any proposals to close accident and emergency, maternity services and other related services at St Helier hospital are referred to the Secretary of State for a final decision, in the event that it considers the consultation to have been inadequate, or that the changes are not in the interest of the local health service, clarifying its reasons for so doing.

The Mayor put the amendment to the meeting and there being none voting to the contrary, declared the amendment to be carried.

Conservative Amendment

It was moved by Councillor Suzanne Evans and seconded by Councillor Richard Hilton that the motion as amended is further amended to read as follows:

“Council recalls and reiterates its decision at the full council meeting of 12 September 2012 to:

“vigorously oppose [...]the proposal to close accident and emergency and maternity services at St. Helier Hospital [and] resolves to continue to do everything in its power to keep St. Helier Hospital’s accident and emergency, maternity services and other related services open, including encouraging residents to respond to the consultation.”

Council also recalls and reiterates its decision at the full council meeting of 28 March 2012 to “discourage any scaremongering on this matter [...] and using rumour as a political tool, as this could alarm residents, particularly those who depend upon NHS care at St. Helier hospital.”

Council notes that since 12 September 2012:

- The proposed consultation on the closure of St. Helier’s A&E, maternity services and other related services, due to start last autumn, will now not start until after Easter
- Epsom Hospital has now been included in the Better Services Better Value review
- On 9 January 2013 the review recommended that two hospitals out of St Helier, Epsom, Kingston or Croydon University Hospital should lose their A&E and maternity departments
- Chairman of Merton’s Healthier Communities and Older People Overview and Scrutiny Panel, Councillor Suzanne Evans, and Stephen Hammond MP have secured a meeting with Anna Soubry, Parliamentary Under Secretary of State for Health, to raise concerns on behalf of Merton residents regarding the threatened closure of services at St Helier Hospital.

Council further notes that on 7 November 2012 the Leader of the Council received a

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comprehensive letter from the Secretary of State for Health which stated: "Where an OSC or Joint OSC is not content with the adequacy of the NHS's consultation with it, or does not believe that the changes being proposed are in the interest of the local health service, it can refer the proposals to the Secretary of State for Health for a final decision."

Council does not believe that the closure of St. Helier A&E, maternity services and other related services would be in the interests of the local health service.

(L/D agreed amendment) Council therefore urges the Healthier Communities Overview and Scrutiny Panel to ensure that any proposals to close accident and emergency, maternity services and other related services at St Helier hospital are referred to the Secretary of State for a final decision, in the event that it considers the consultation to have been inadequate, or that the changes are not in the interest of the local health service, clarifying its reasons for so doing"

Labour Amendment

It was moved by Councillor Mark Betteridge and seconded by Councillor Mark Allison that the motion is further amended as follows:

"After "Council notes that since 12 September 2012", add an additional final bullet point as follows:

- And that Cllr Stephen Alambritis also attends this meeting, in his capacity as Leader of Merton Council"

The Mayor put the amendment to the meeting and, there being none voting to the contrary, declared the amendment to be carried.

The motion as amended became the substantive motion.

The Mayor put the substantive motion to the meeting and, there being none voting to the contrary, declared the substantive motion to be carried.

It was, therefore

RESOLVED: That

"Council recalls and reiterates its decision at the full council meeting of 12 September 2012 to:

"vigorously oppose [...]the proposal to close accident and emergency and maternity services at St. Helier Hospital [and] resolves to continue to do everything in its power to keep St. Helier Hospital's accident and emergency, maternity services and other related services open, including encouraging residents to respond to the consultation."

Council also recalls and reiterates its decision at the full council meeting of 28 March 2012 to "discourage any scaremongering on this matter [...] and using rumour as a political tool, as this could alarm residents, particularly those who depend upon NHS care at St. Helier hospital."

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Council notes that since 12 September 2012:

- The proposed consultation on the closure of St. Helier's A&E, maternity services and other related services, due to start last autumn, will now not start until after Easter
- Epsom Hospital has now been included in the Better Services Better Value review
- On 9 January 2013 the review recommended that two hospitals out of St Helier, Epsom, Kingston or Croydon University Hospital should lose their A&E and maternity departments
- Chairman of Merton's Healthier Communities and Older People Overview and Scrutiny Panel, Councillor Suzanne Evans, and Stephen Hammond MP have secured a meeting with Anna Soubry, Parliamentary Under Secretary of State for Health, to raise concerns on behalf of Merton residents regarding the threatened closure of services at St Helier Hospital.
- And that Cllr Stephen Alambritis also attends this meeting, in his capacity as Leader of Merton Council

Council further notes that on 7 November 2012 the Leader of the Council received a comprehensive letter from the Secretary of State for Health which stated: "Where an OSC or Joint OSC is not content with the adequacy of the NHS's consultation with it, or does not believe that the changes being proposed are in the interest of the local health service, it can refer the proposals to the Secretary of State for Health for a final decision."

Council does not believe that the closure of St. Helier A&E, maternity services and other related services would be in the interests of the local health service.

(L/D agreed amendment) Council therefore urges the Healthier Communities Overview and Scrutiny Panel to ensure that any proposals to close accident and emergency, maternity services and other related services at St Helier hospital are referred to the Secretary of State for a final decision, in the event that it considers the consultation to have been inadequate, or that the changes are not in the interest of the local health service, clarifying its reasons for so doing"

Motion 2 (L/D)

It was moved by Councillor Iain Dysart and seconded by Councillor Mary-Jane Jeanes that:

"Council notes;

- The Mayor's Office for Police and Crime's recent announcement on proposals for the future of policing in London, and the draft Estates Strategy; .
- That the documents propose significant changes to London's policing, including; reduction of Safer Neighbourhood Teams to one dedicated police constable and one Police and Community Support Officer per ward; closing front counters at 65 police stations across the capital including Morden Police Office and Tooting Police Station and Former Section House; and opening new "contact points" in public and other

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buildings such as council offices, supermarkets and post offices.

Council believes the Mayor's consultation process to be seriously flawed, with;

- Just one event per London borough scheduled to last only one hour, with advance registration required;
- Presentations by the Deputy Mayor and police taking up most of the scheduled time, leaving little opportunity for residents to have their say;

Council calls upon the Leader to respond formally on behalf of Merton residents and the Council, expressing the borough's opposition to the proposals as they stand, and to their potential impact on community safety and crime levels in Merton"

Conservative Amendment

It was moved by Councillor David Simpson and seconded by Councillor Henry Nelless that the motion is amended to read as follows:

Council notes;

- The Mayor's Office for Police and Crime's recent announcement on proposals for the future of policing in London, and the draft Estates Strategy; .
- That the documents propose significant changes to London's policing, including; reforming Safer Neighbourhood Teams to deliver greater operational flexibility by allocating more police officers to front line neighbourhood policing in Merton whilst also ensuring at least one dedicated police constable and one Police and Community Support Officer per ward; closing front counters at 65 police stations across the capital including Morden Police Office and Tooting Police Station and Former Section House; and instead opening new "contact points" in public and other buildings, which residents visit more regularly, such as council offices, supermarkets and post offices.

Council further notes the Mayor's consultation process with Londoners which includes;

- One event per London borough scheduled to last one hour, with advance registration required;
- Presentations by the Deputy Mayor and police taking up most of the scheduled time, but leaving opportunities for residents to have their say during the meeting; and
- Via an online questionnaire which can be completed by residents in Merton and across the capital allowing them to contribute to the consultation.

Council also notes the positive dialogue thus far between the Borough Commander and Merton council in working together to ensure the best possible outcomes from these changes for Merton and its residents.

Council calls upon the Leader a) to respond formally on behalf of Merton residents and the Council, applauding the Mayor of London on his plans to cut back office

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costs in the Metropolitan Police whilst increasing by 2015 the number of warrant card holding officers out on the streets of Merton, and on their potential impact on community safety and crime levels in Merton; and b) to maintain a healthy dialogue with the Mayor of London, MOPAC and the Borough Commander so as to ensure the best possible outcome for Merton as one of the safest boroughs in London.

The Mayor put the amendment to the meeting and there voted for the amendment 26, against the amendment 30 and not voting 4.

The Mayor declared the amendment to be lost and thereupon put the original motion to the meeting.

The Mayor declared the motion to be carried on a vote of 30 for the motion, 26 against and not voting 4.

It was, therefore

RESOLVED: That

“Council notes;

- The Mayor's Office for Police and Crime's recent announcement on proposals for the future of policing in London, and the draft Estates Strategy; .
- That the documents propose significant changes to London's policing, including; reduction of Safer Neighbourhood Teams to one dedicated police constable and one Police and Community Support Officer per ward; closing front counters at 65 police stations across the capital including Morden Police Office and Tooting Police Station and Former Section House; and opening new "contact points" in public and other buildings such as council offices, supermarkets and post offices.

Council believes the Mayor's consultation process to be seriously flawed, with;

- Just one event per London borough scheduled to last only one hour, with advance registration required;
- Presentations by the Deputy Mayor and police taking up most of the scheduled time, leaving little opportunity for residents to have their say;

Council calls upon the Leader to respond formally on behalf of Merton residents and the Council, expressing the borough's opposition to the proposals as they stand, and to their potential impact on community safety and crime levels in Merton"

Motion 3 (L/D)

It was moved by Councillor Iain Dysart and seconded by Councillor Mary-Jane Jeanes that:

"This Council notes the Coalition Government's proposals to bring forward legislation that will enable;

- 1) Same-sex couples to have a civil marriage ceremony;
- 2) Those religious organisations which wish to conduct same-sex marriages to do so;
- 3) Existing civil partners to convert their partnership to a marriage, should they so

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wish;

4) Individuals to change their legal gender without having to end their marriage.

This Council also notes that;

- The legislation will make it explicitly clear that no religious organisation or minister can be compelled to marry same-sex couples, or to permit their premises to be used for this purpose;
- A number of religious organisations do wish to perform same-sex marriages, but are currently prevented by law from doing so;
- An ICM poll in December 2012 found that 62 per cent of people support moves to legalise same-sex marriage.

This Council believes that;

- Marriage is a demonstration of a couple's commitment to each other;
- Every couple wishing to celebrate their relationship in the eyes of society in this way should be able to do so;
- Allowing same-sex couples access to marriage helps to ensure that this remains a relevant and vibrant institution;
- Community cohesion is improved by tackling the barriers of race, faith, culture, gender, age and disability, and helping people to make reasoned decisions about their own lives.

This Council therefore resolves to support the Coalition proposals to implement equal marriage and to ask the Leader to write to the Conservative Culture Secretary confirming this".

The Mayor put the motion to the meeting and declared it to be carried on a vote of 42 voting for the motion, 7 against and not voting 11.

Motion 4 (Conservative)

In moving the following motion, Councillor Chris Edge sought the approval of the meeting to amend the motion, duly given, and, in particular to the first sentence reading as detailed below.

"That the Council has no confidence in the ability of the Cabinet member for Finance and notes that during the budget scrutiny process for 2013-14, the Cabinet Member for Finance, Councillor Mark Allison has failed to deliver in a timely and concise manner all of the relevant budget information necessary to enable councillors and residents to understand clearly the current and future financial status of Merton Council. In particular, the improved Service Report structure introduced by the former Director of Transformation whereby Service Reports summarising the relevant Business Plan objectives, financial information and forecasts are linked directly to the proposed budget savings and equality impact assessments, rather than as separate papers, has not been implemented.

As well as publishing budget papers late and with incomplete Service Plans, the

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Cabinet Member has for example:

- Consistently been unable to answer questions at Scrutiny on whether efficiency savings proposed for 2014-17 could be taken earlier;
- Failed to provide detail of how the administration actually intends to use the considerable amount of residents' money that has been allocated to earmarked reserves, thereby echoing the concerns highlighted in a recent report from the Audit Commission which found that increased earmarking by councils "does not always mean there is a plan for spending the funds";
- Repeatedly been unable to produce current and historic figures for the size and cost of the council's workforce, which are vital for the construction and consideration of the 2013-14 Budget and Business Plan;
- Refused to take certain savings even when they have already been agreed by Full Council e.g. the £20,000 staff-side saving; and
- Not brought forward reviews of potential service savings in a timely fashion for consideration. Despite repeated requests for reviews of the Council's translation services and the commercial waste service, no reports have yet been received.

The lack of complete financial data has meant scrutiny panels having to consider budget proposals and savings in the knowledge that the Cabinet Member still has further relevant budget information to publish. This has resulted in a poor and opaque scrutiny process without the openness and transparency that Merton's residents would rightly expect.

This Council is particularly concerned that, as a result of budgetary incompetence in managing the borough's finances, a number of frontline services valued by residents have been cut over the last two years whilst at the same time the council has consistently under spent against its budget by more than those same services cost to provide.

This Council therefore resolves:

1. To take a vote of no confidence in the ability of the Cabinet Member for Finance, Councillor Allison, to carry out his duties as set down by the Leader of the Council; and
2. To request that the Overview and Scrutiny Commission reassures all those present at the annual Budget Council meeting on 6 March 2013 that the borough's scrutiny bodies have had the opportunity to scrutinise properly and in full all of the proposed cuts in departmental budgets as well as the proposed capital budget, and that councillors have received all of the necessary information on which to take a balanced decision.

The motion was seconded by Councillor Suzanne Grocott.

The Mayor put the motion to the meeting and declared it to be lost on a vote of 25 voting for the motion, 31 against and not voting 3.

10 ENDORSEMENT OF THE NATIONAL CHARTER FOR CARE LEAVERS
(Agenda Item 10)

The recommendation detailed in the submitted report was moved by Councillor Maxi Martin, seconded by Councillor Stephen Alambritis and upon the Mayor putting the recommendation to the meeting it was

RESOLVED: That the 'National Charter for Care Leavers' detailed at Appendix 1 to the submitted report is endorsed.

11 TECHNICAL REFORMS TO COUNCIL TAX (Agenda Item 11)

The recommendations detailed in the submitted report were moved by Councillor Mark Allison, seconded by Councillor Stephen Alambritis and upon the Mayor putting the recommendations to the meeting, it was

RESOLVED: That

A. approval is given to the Council implementing the changes discounts and exemptions shown in section 3 of the submitted report from 1st April 2013; and

B. agreement is given to reviewing the impact of these changes along with a review of the empty homes premium to establish if a premium should be charged for the full year of 2013/14 and then reported back to Cabinet for consideration for the 2015/16 budget process.

12 CALENDAR OF MEETINGS (Agenda Item 12)

The recommendations detailed in the submitted report were moved by Councillor Stephen Alambritis, seconded by Councillor Mark Betteridge and upon the Mayor putting the recommendations to the meeting, it was

RESOLVED: That

A. agreement is given to the calendar of meetings detailed in Appendix 1 to the submitted report;

B. the proposed Scrutiny task group dates detailed in Appendix 1 to the submitted report are noted; and

C. the member development dates detailed in Appendix 2 to the submitted report are noted.

13 CHANGES OF MEMBERSHIP TO COMMITTEES AND RELATED MATTERS
(Agenda Item 13)

The recommendation detailed in the submitted report was moved by Councillor Stephen Alambritis, seconded by Councillor Mark Betteridge and upon the Mayor putting the recommendation to the meeting, it was

RESOLVED: That the changes of membership to committees approved under delegated powers since the last meeting of the Council are noted.

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14 PETITIONS (Agenda 14)

The recommendations detailed in the submitted report were moved by Councillor Stephen Alambritis and seconded by Councillor Mark Betteridge and upon the Mayor putting the recommendation to the meeting, it was

RESOLVED: That

1. the advice given by officers in respect the petitions presented to the 21 November Council meeting is noted; and
2. the petitions presented at the meeting are noted i.e.

Councillor Gilli Lewis-Lavender presenting a petition regarding a request to Network Rail to re-open the waiting room at Motspur Park; and

Councillor Henry Nelless presenting a petition regarding a request to provide a pedestrian crossing to the school on Southey Road.

15 BUSINESS FOR THE NEXT ORDINARY MEETING (Agenda Item 15)

It was moved by Councillor Debbie Shears, seconded and agreed that the primary business to be considered at the 27 March 2013 Council meeting is 'Sustainable Communities with a Focus on Waste and Recycling'.

16 EXCLUSION OF THE PUBLIC

RESOLVED: That the public are excluded from the meeting during consideration of the following item (agenda item 16) on the grounds that it includes exempt information pursuant to Category 3 of Paragraph 10.4 of Part 4B of the Constitution.

17 WESTERN ROAD DEVELOPMENT ALLOCATION OF S.106 MONIES
(Agenda Item 16 Exempt Report)

The recommendations detailed in the submitted report were moved by Councillor Andrew Judge, seconded by Councillor Stephen Alambritis and upon the Mayor putting the recommendations to the meeting, it was

RESOLVED: That

A. authorisation is given to the allocation of up to £1,520,000 S.106 funding outlined in Appendix A to the submitted report, being financial contributions received by the Council, to London and Quadrant Housing Trust towards the delivery of new affordable housing in the borough, specifically at the Western Road development in Mitcham; and

B. the Director of Environment and Regeneration is authorised in consultation with the Lead member (Cabinet Member for Environmental Sustainability and Regeneration) for determining the final total amount of funding referred to in Recommendation A to the submitted report to be allocated.

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Committee: Council

Date: 6 March 2013

Agenda item: 5
Wards: All
Subject: Business Plan 2013-17

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Mark Allison, 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

Recommendations:

1. That the Council agrees the Business Plan 2013-17 including:-
 - the General Fund Budget;
 - the Council Tax Strategy for 2013/14 equating to a Band D Council Tax of £1,102.55, which means that Merton qualifies for Council Tax Freeze Grant;
 - the Medium Term Financial Strategy (MTFS) for 2013-2017;
 - the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy);
 - the Capital Strategy (Section 1: Part A of the Business Plan)
 - the Treasury Management Strategy (Section 1: Part A of the Business Plan), 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 18 February 2013, Cabinet considered two reports which concerned the detailed structure and scrutiny of the Council's Business Plan for 2013-17, including the Budget and Council Tax for 2013/14, the MTFS for 2013-17 and the Capital Strategy and Investment Programme for 2013-17.

- 1.2 The two reports were
- Reference from the Overview and Scrutiny Commission – Pre decision of the Business Plan 2013-17 (Agenda Item 5)
 - Business Plan 2013-17 (Agenda Item 17)
- 1.3 Cabinet, in light of the positive assurance statement given by the Director of Corporate Services, considered and agreed to recommend to Council the resolutions as set out in Section 2, Appendix 12.
- 1.4 This report summarises the work that has been undertaken since April 2012 towards formulating the Business Plan 2013-17 including the Budget for 2013/14, Medium Term Financial Strategy 2013-17 and Capital Strategy 2013-17. 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 2013/14 and progress towards a balanced budget over the medium term. A separate section is provided for Schools budgets.
- 1.5 Each of the elements discussed in the report will be incorporated into the Council's Business Plan 2013-17.
- 1.6 The Cabinet considered the various responses from scrutiny bodies to the draft budget proposals on 18 February 2013.

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 2013-2017.
- 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 2013-17 consists of a number of key elements and the report is structured into three sections for ease of reference :-
- Section 1: Business Plan 2013-17 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.
 - Part A: The Capital Programme and the Capital Strategy;
 - Part A: The Treasury Management Strategy
 - Section 2: The General Fund Revenue Budget and Council Tax strategy;

- Section 3: Schools budgets – funded by Dedicated Schools Grant (DSG)

2.4 The Scrutiny Function

- 2.4.1 The Overview and Scrutiny Commission and Panels considered the draft capital programme 2013-17 during the November 2012 cycle of meetings and feedback from this scrutiny process was considered by Cabinet on 10 December 2012. Cabinet considered revenue savings proposals at its meeting on 10 December 2012 and referred them, along with the capital programme and service plans, to the Overview and Scrutiny Panels and Commission for consideration during the January 2013 cycle of meetings.

During the January 2013 cycle of meetings the available details relating to the MTFs, revenue and capital budgets and the Business Plan have been considered by the Scrutiny Panels on the following dates:-

Sustainable Communities Overview & Scrutiny Panel	10 January 2013
Children and Young People Overview & Scrutiny Panel	15 January 2013
Healthier Communities & Older People Overview & Scrutiny Panel	16 January 2013
Sustainable Communities Overview & Scrutiny Panel	29 January 2013
Overview and Scrutiny Commission	31 January 2013

The Overview and Scrutiny Commission will meet on 28 February 2013 to review the MTFs, revenue and capital budgets for a final time, before the Council meeting on the 6 March.

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 2013-17 as a separate report to Cabinet on 18 February 2013. Appendix 12 to this report provides the Cabinet resolutions made at its meeting on 18 February 2013 in response to the Overview and Commission. There is a further Overview and Scrutiny Commission meeting on 28 February 2013 and in accordance with resolution 8 made by Cabinet on 18 February 2013 in respect of the Business Plan, the Cabinet Member for Finance and the Cabinet member for Performance and Implementation, on behalf of the Cabinet, will meet with the Chair of the Overview and Scrutiny Commission to give the Cabinet's response to the recommendations arising from the Overview and Scrutiny Commission's meeting and a supplementary report will be provided prior to Council if necessary.

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 2013-17 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.

5.3 In considering the budget for 2013/14, 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.
- 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 impact assessments of savings proposals have been provided and these were discussed at Scrutiny and Cabinet 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 2 July 2012, 22 October 2012, 10 December 2012, 21 January 2013 and 18 February 2013.

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. The Overview and Scrutiny Commission have had the opportunity to scrutinise the proposals further at its meeting on 28 February 2013;
- The proposals, which impact on them, have been discussed in detail with the voluntary sector;

8.3 In accordance with statute, consultation took place with business ratepayers at a meeting on 14 February 2013. The meeting was well attended with representatives from the Wimbledon Chamber of Commerce and Love Wimbledon, and issues raised included the impact of localisation of business rates on the finances of the Council, parking charges and restrictions, and the implications for local businesses.

8.4 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 2013-17

SECTION 2: GENERAL FUND BUDGET AND COUNCIL TAX STRATEGY

Appendix 1:	Draft Resolutions to Council
Appendix 2:	Local Government Finance Settlement 2013-2015
Appendix 3:	Collection Fund, Council Tax Base, and Funding Methodology
Appendix 4:	Other Corporate items in the MTFS
Appendix 5:	Analysis of the transition from Council in March 2012 to a balanced budget
Appendix 6:	Statement of Council Tax requirements and balances
Appendix 7:	Revised MTFS incorporating changes
Appendix 8:	Reserves
Appendix 9:	Summary Analysis and reconciliation of Savings
Appendix 10:	Budget summaries
Appendix 11:	Risk Analysis for the General Fund
Appendix 12:	Cabinet resolutions 18 February 2013

SECTION 3: Schools budget

No appendices

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
Equality Impact Assessments

Business Plan

2013 - 2017



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INTRODUCTION

Welcome to Merton Council's Business Plan for 2013/17, 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 Management 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 2015 Merton Council will be smaller, reducing in size. Our top priority will continue to be to provide safe services of the best possible quality. 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 finding innovative solutions to maximise future efficiency.

We will deliver services that customers want and need and, where possible, involve our customers in service specification and design.

Delivering quality and value services in an era of significantly reduced resources will require strong and determined leadership. A single business view is essential to ensure a 'One Council' approach is followed in everything we do. Leaders at all levels will be visible and lead by example.

Change of this magnitude will only be achieved through a unified effort.

- Get Involved! – identify and implement improvements.
- One team – Directors, managers and staff have an equal part to play.
- Learn – from each other, our mistakes and from what our customers say.
- Determination – to try out new ideas.

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 2012/16 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.

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 players from the public, private and voluntary sectors in Merton, including the council, Primary Care Trust (PCT) 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 Partnership consists of three main groups:

The Merton Partnership – this is the full partnership body that provides the governance, overall leadership and representation to ensure that the Partnership delivers the community's priorities. It is chaired by the Leader of the Council, the person with the clearest democratic authority in the borough. It receives reports and briefings on the strategic issues for the borough and co-ordinates the work of the Partnership.

The Executive Board – this is the decision making body for the Partnership. It is chaired by the Chief Executive of the council. The Executive Board meets every two months and brings together the organisations with the most significant budgets in the borough. It ensures the Partnership is given the leadership and capacity it needs to do its job. The Executive Board is committed to sharing information and resources, and to implementing cross-cutting projects to achieve the aspirations set out in the Community Plan.

Thematic Partnerships – these partnerships 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 groups mirror the themes of the Community Plan:

Children and Young People

- Improving health outcomes
- Maintaining robust safeguarding
- Improving educational outcomes
- Promoting the positive contribution
- Promoting the economic wellbeing

Health and Wellbeing (previously Healthier Citizens)

- Healthy living
- Safeguarding
- Citizenship and inclusion
- Service delivery group

Sustainable Communities and Transport

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

Safer and Stronger

- 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

In addition to the four themes above Merton Council has added the further theme of **Corporate Capacity** which encompasses:

- 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 change of Government in 2010 has had, and will continue to have, a profound impact on the delivery of services at a local level. For example:

- The cuts to reduce the national budget deficit are being felt locally with Merton's funding from central Government to be reduced over the next four years.
- New legislation has the potential to radically transform service delivery and the responsibilities of local government. For example, the Localism and Decentralisation Act will give local people the right to bid to run local services and the Health and Social Care Bill will transfer responsibility for improving public health from health authorities to local councils.
- The Government's drive to deliver the 'Big Society'.
- This Business Plan represents Merton's response to the challenges and opportunities over the next four years.

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.

- Adult Treatment Plan
- Air Quality Action Plan
- Anti Social Behaviour Strategy
- Asset Management Plan
- Capital Programme
- Children and Young Persons' Plan
- Civil Contingencies Plan
- Climate Change Strategy
- Commercial and Trading Standards Delivery
- Community Plan
- Core Planning Strategy
- Corporate Equality Scheme
- Corporate Procurement Strategy
- Cultural Strategy
- Customer Services Strategy
- Crime and Disorder (partnership plan)
- East Merton and Mitcham Neighbourhood Renewal Strategy
- Economic Development Strategy
- Ethnic Minority Housing Strategy
- Gypsy and Traveller Strategy
- Homelessness Strategy
- Housing Strategy
- ICT Policy
- Information Governance Policy
- Local Development Framework
- Local Implementation Plan
- Local Transport Plan
- Looked After Children's Strategy
- Medium Term Financial Strategy
- Older People's Housing Strategy
- Open Spaces Strategy
- Performance Management Framework
- Risk Management Strategy
- Road Safety Plan
- Safeguarding Children's Board Annual Plan
- School Expansion Plans
- School Improvement Strategy
- Social Inclusion Strategy
- Special Educational Needs and Inclusion Strategy
- Treasury Management Strategy
- Unitary Development Plan
- Voluntary Sector Strategy
- Waste Management Plan
- Workforce Development Plan

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 elected in May 2010) is:
 - Labour: 28 councillors
 - Conservative: 27 councillors
 - Merton Park Ward Independent Residents: three councillors
 - Liberal Democrats: two councillors
- 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 £151m in 2012/13 with around 45% of this being spent on social care.
- 4,081 FTE or 5,513 headcount (as at Jan 13) 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.

- Population of 199,700 (Census estimate at May 2011) living in 78,757 chargeable dwellings. The population according to the Greater London Authority population projections is set to increase as follows: 206,612 by 2016, 209,666 by 2021, 211,783 by 2026 and to 213,931 by 2031.
- Three main town centres: Wimbledon, Mitcham and Morden.
- 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.
- Census 2011 data estimated that 40.1% of the population is from black and minority ethnic (BME) groups, with the range across schools being 32% to 91%.

- 121 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.
- The top five areas of concern to residents are crime, the level of council tax, traffic congestion, street cleanliness and lack of jobs.
- Council tax is currently set at £1,409.71 (2012/13) 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.

According to the 2010 Index of Multiple Deprivation, Merton is the fourth least deprived of the 33 London boroughs. Nationally the borough is ranked 208 out of 326, where 1 is the most deprived. 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). This is illustrated by the following facts:

- Median household income is £34,461 per annum. However, it is estimated that 27% of those employed living in the east of the borough earn under £20,000.
- The east of the borough has much higher levels of serious illness and early deaths from illnesses such as cancer and heart disease.
- Life expectancy for men in the most deprived 10% of the borough which is in the east is 77.20 years whilst for the least deprived 10% it is 83 years
- Two of Merton's Super Output Areas (SOAs) both in the east, are amongst the 20% most deprived in the country, and fourteen are in the 30% most deprived nationally, with 13 of these located in the east of the borough.
- 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 (increase of 21% on 2010 eligibility indicators – school census 2012).

The data / figures from the 2011 national census were released in September 2012 and this information is being used to aid service planning in subsequent years.

Section A

Financial Resources

A) MEDIUM TERM FINANCIAL STRATEGY 2013/17

This is contained in the main report.

A) CAPITAL STRATEGY

1 Introduction

1.1 Merton's Capital Strategy for 2013-17 has been aligned and integrated with the Business Plan for the period 2013-17. The introduction to 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:-

- Sustainable Communities and Transport;
- Safer and Stronger;
- Health and Well Being;
- Children and Young People;
- Corporate Capacity

These themes act as the drivers to implement the Community Plan.

1.2 Merton Partnership works towards to 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 2013/17 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:
 - v) Maintain clean streets and keep council tax low.
 - vi) Keep Merton as a good place for young people to go to school and grow up.
 - vii) Be the best it can for the local environment.
 - viii) 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 these 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 2013-2017

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 with regular communication between officers with responsibility for both aspects.

2.2 Service Plans

2.2.1 In developing the Capital Strategy, clear linkages have also been identified with not only the Business Plan 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.

2.2.2 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 Continued review of the Capital Programme to ensure expenditure meets the strict definition and to identify, items of a short life with limited merit to charge to capital has resulted in further reductions to the Capital Programme as follows:

Summary of Revenues/Revenue funding of capital

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Original MTFS	1,485	1,150	0	0	2,635
Revenues/RCCO	2,907	1,600	2,353	1,870	8,730
Total	4,392	2,750	2,353	1,870	11,365

The Medium Term Financial Strategy (MTFS) has been amended and revenue provision has been made for this expenditure. Other similar expenditure may be funded from earmarked reserves.

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), consists of the Directors and their nominated senior officers from each service department, together with officers from the Business Planning Team.

4.1.2 The role of the board is to ensure that all capital expenditure and investment decisions are made in an informed way, consistent with the achievement of the council's overall corporate strategic objectives (paragraph 1.1). It also has a co-ordinating, reviewing, developing, encouraging, and reporting role, which ensures that Merton makes effective and efficient use of its capital resources, including management of its capital assets. During 2012/13 considerable work has been undertaken reviewing and developing the systems and processes for:

- i) Compiling the Capital Programme
- ii) Monitoring Expenditure and year end / multi-year projection
- iii) Identification and Realisation of Scheme Benefits
- iv) Financing the Programme

4.1.3 The board recommends to cabinet how capital resources should be allocated. The recommendations are based on a review of existing schemes and consideration of growth proposals. The existing Capital Programme is examined for potential reductions and reprofiling. The growth bids are prioritised on the criteria as set out later in this document.

- 4.1.4 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 revenue RCO and earmarked reserves. It will be reported to Members as and when it is proposed to use external borrowing and capital receipts.
- 4.1.5 The council has had a robust policy for many years of reviewing and disposing of surplus property, detailed in the Asset Management Plan (AMP) which also includes policy and procedures for land and property acquisition. However, the economic recession has slowed disposals in recent years and will continue to have an effect for 2013/14 and probably future years. 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. The only exception is for loans to external bodies such as schools as the Authority is required to treat re-payments as capital receipts.

4.2 Capital Monitoring

- 4.2.1 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 regularly (normally monthly), key reviews are undertaken quarterly. December monitoring provides the final opportunity for budget managers to re-profile their budgets for the current financial year.
- 4.2.2 December 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.
- 4.2.3 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. For example, in relation to the Primary School Expansion programme, the progress on each school is set out e.g. consultation, planning consent, start on site etc.

4.3 Risk Management

4.3.1 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 and cabinet 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 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 2011/12 and 2012/13, 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 until 2015/16. 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:

Revenue effects of Capital Programme				
	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
MRP	7,569	7,991	8,783	9,242
Interest	6,692	6,692	6,900	7,892
Capital financing costs	14,261	14,683	15,683	17,134
Investment Income	(373)	(331)	(353)	(300)
Net	13,888	14,352	15,330	16,834

6 Capital resources 2013-17

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 and from leaseholders and
- 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 is primarily based on the Asset Management Plan, 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.

7.1.2 Progress and estimates of capital receipts are considered at each meeting of the Capital Programme Board by consideration of the Capital Disposals Programme.

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 councillors.

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 such as the Special Educational Needs (SEN) Centre of Excellence, 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.

8 Summary of estimated disposals 2013-2017

8.1 Potential capital receipts

8.1.1 In 2008 there began severe economic world difficulties which have ever since depressed the sales of property in the whole of the UK. This has made it difficult to accurately estimate the level of capital receipts and continues to make it difficult to estimate receipts for the period 2013-2017. In addition the depressed market has lead to certain disposals being postponed until the market improves although the delay is being used to complete preparatory work such as planning applications to enhance receipt when the marketing begins. Therefore a cautious view has been taken of the potential capital receipts identified through the Asset Management Plan. The following table represents a 'best prudent view' at this time in respect of an anticipated cash flow and therefore future capital receipts have not been assumed as a source of funding for the capital programme at this stage, but do replace the need for external borrowing:-

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Total	2,956	3,041	2,602	800

Note a) The above includes Right to Buys and the VAT shelter
Although difficult to accurately predict, other sales of assets could improve the position.

8.1.2 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. Since 1 April 2008, the average interest payable on outstanding debt has fallen from 6.6% to 5.72%. For the period 2013-17, 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 make this economic and the option makes appropriate revenue savings, but will also be considered for funding parts of the programme.

9 Grant Funding Capital Resources

9.1 Environmental and Regeneration

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Transport for London LIP (earmarked)	1,919	1,839	1,839	TBA
Town Centre Grants (earmarked)	1,884	0	0	0
Disabled Facilities Grant (non-ringfenced)	444	444	444	444
Total: E&R	4,247	2,283	2,283	444

Note: Disabled Facilities Grant is an on-going grant programme, it has not been announced for the whole period 2013/17 but there are no indications that it will change

9.2 Children, Schools and Families

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Maintenance Basic Need	TBA	TBA	TBA	TBA
Total Local Authority Funding (Both of the above grants are non-ringfenced)	TBA	TBA	TBA	TBA
Devolved Formula Capital (Earmarked)	TBA	TBA	TBA	TBA
TOTAL: CS&F	TBA	TBA	TBA	TBA
Assumed Maintenance & Basic Need (see note below)	8,500	8,000	8,000	8,000

TBA – To Be Advised

Note: Although not formally notified, school capital grants are estimated in the Capital Programme for all years 2013/14 to 2016/17 to cover current estimated spend. Devolved formula capital has not been included in the programme at this stage as a notification of the amount has not yet been received and the budget for this will match the grant received.

9.3 Community and Housing

9.3.1 In addition to the sums shown in the capital programme the following grant has been confirmed by the Department of Health

Financial Year	£
2012/13	399,246
2013/14	402,185
2014/15	410,310
Total	1,211,741

This grant is un ring-fenced, currently no scheme has been identified to utilise the funding.

9.4 Summary of Grant Funding 2013-2017

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 2013/14:-

Grant Funding	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Environment and Regeneration	4,247	2,283	2,283	444
Community and Housing	402	410	TBA	TBA
Total New Grant Funding	4,649	2,693	2,283	444
Assumed source of funding - CSF	8,500	8,000	8,000	8,000

10 Summary of Total Resources 2013-17:

10.1 Summary

10.1.1 The total anticipated resources over the plan period 2013-17, including existing grant funding and anticipated CS&F grants, is summarised in the following table:-

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Grant & Contributions	14,629	11,215	10,311	8,116
Council Funding	29,250	28,331	25,639	30,106
Total	43,879	39,546	35,950	38,222

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 2017 to 2022. Additional detail is provided as Annex 5:

Indicative Capital Programme 2017 to 2022

Department	Indicative 2017/18 Budget £000s	Indicative 2018/19 Budget £000s	Indicative 2019/20 Budget £000s	Indicative 2020/21 Budget £000s	Indicative 2021/22 Budget £000s
Corporate Services	2,916	1,750	1,355	1,771	1,656
Children, Schools and Families	38,925	400	400	15,400	400
Environment and Regeneration*	5,140	5,164	4,890	4,355	4,355
Community and Housing	0	0	0	0	0
Total	46,981	7,314	6,645	21,526	6,411

- 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 £225,000 for assets with a life of 5 years to £45,000 for an asset life of 50 years.

11 Capital bids and prioritisation criteria

11.1 Prioritisation of schemes 2016/17

11.1.1 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.

11.1.2 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 growth put forward over the period 2013-17, on the basis of these criteria by the board to cabinet was £54.076 million.

12 Detailed Capital Programme 2013-17

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 has a major project in 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 replacement of Civic Centre Windows. The new schemes for this department are listed in Annex 1, Annex 3 provides a detailed breakdown of projects and Annex 4 provides the overall programme at scheme level for approval.

12.2 Children, Schools and Families

This department's main capital focus is the need for increased provision of pupil places. There was already provision in the 2012-16 capital programme, but the revised programme is as follows:

	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Primary Expansion	25,873	16,840	10,140	5,400
Secondary Expansion	0	400	1,150	22,150
Total	25,873	17,240	11,290	27,550

This is the most significant item in the council's capital programme and as such is set out in detail on the next page:

CSF capital programme 2013-17

The vast majority of the CSF capital programme relates to the requirement to provide sufficient primary school places but there is also some capital for other categories of expenditure.

Primary school places

The 2012-16 capital programme approved provision to deliver the primary school expansion for an additional 21 forms of entry (FE) in permanent buildings and three FE in temporary classrooms, compared to that provided in 2007/08.

As a result the council has either completed, or is in the progress of permanent expansion to provide 21 additional forms of entry since 2007/08. These are at the following 20 schools: Wimbledon Chase, Holy Trinity CE, St. Thomas of Canterbury, Benedict, Hollymount, Joseph Hood, Aragon, Cranmer, Merton Abbey, St Mary's, All Saints CE, Gorringer Park, Hillcross, Pelham, Dundonald, Poplar, Liberty, Singlegate (2FE extra, through additional adjacent site), Wimbledon Park, and William Morris.

Following updated demographic information there is a need to provide for additional primary school expansion to ensure the council can provide sufficient primary school places. The proposed 2013-17 capital programme therefore provides for a further four permanent schemes to provide for an additional 25 FE in total in permanent accommodation compared to 2007/08, and temporary provision has remained at 3 FE. It should be noted that two of the schemes would not start major construction works until the 2015/16 financial year, with the final phase being in 2017/18 so beyond the duration of this capital programme. The position will need to be reviewed on an annual basis.

The requirement to provide sufficient school places is a key statutory requirement. The government has provided capital grant to meet some of this need, but there is a significant shortfall for the council to fund. Based on the current projections the level of permanent expansion is sustainable in the longer term with three schools in temporary accommodation that can reduce should demand fall. It is considered not practicable to have more than three schools in temporary classrooms due to issues of site constraint, long term value for money, education standards and obtaining planning consent.

Secondary and special school places

The significant increase in demand for school places will reach the secondary phase from 2015/16 but it is expected it can be met through existing accommodation, or minor temporary provision for the first two years.

Significant build will be required thereafter so the proposed 2013-17 capital programme only accounts for some of the earlier design work. The capital programme includes a sum for additionally resources provision for pupils on the autism spectrum and more will be required after 2016 for permanent additional special school places.

The capital programme for 2013/17 includes £23.7 million for 5 secondary FE classes attached to our existing schools and some preliminary costs in respect of a new secondary school. The costs of the new school and an additional 5 secondary FE classes have yet to be built into the Capital Programme. Currently, there is uncertainty over the size, timing and cost of the secondary expansion, this includes a lack of clarity regarding government funding.

Other schemes

With regard to other capital schemes, £400,000 per annum is provided for schools capital improvement works. This has been reduced due to the need to fund the primary school expansion programme, so will be limited to urgent health and safety related needs, with the council expecting schools to fund all works below £20,000.

Sums remain in the capital programme for expending in 2012/13 some previously committed schemes such as improvements and school loans.

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 11 main areas:

	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Highways Planned Road Works	1,500	1,500	1,500	1,600
Footways Planned Works	1,024	1,000	1,000	1,000
Highways General Planned Works	653	412	412	159
Leisure Centres	300	1,300	10,300	300
Future Merton	3,155	1,250	878	1,037
Replacement of Fleet Vehicles	500	500	500	500
Transportation Enhancements*		2,500	2,500	
Traffic Schemes				306
Parks Investment	250	250	250	425
Street Lighting Replacement Programme	390	300	200	462
Street Scene	250	250	250	0
Total	8,022	9,262	17,790	5,789

*The transportation enhancements would be undertaken in partnership with external funding, which has not yet been confirmed.

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:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Demand for Surface Water Drainage - Flooding	62	62	62	69
Highways bridges and structures improvements	260	260	260	0
Anti-Skid and Coloured	90	90	90	90

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. The funding currently in the programme would not be sufficient in itself to finance a full re-build of the centre.

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Replacement of Leisure Centre Plant and Machinery	350	300	300	300
Morden Park Pools		1,000	10,000	

12.3.4 Future Merton

Regeneration is a major part of the council's strategy. A vision for Wimbledon town centre is being developed and Mitcham town centre will be sustainably developed. The authority is also gaining from the Greater London Authority Outer London Fund and Regeneration Fund, the latter fund in recognition of the needs as a result of the summer 2011 riots. The main areas of expenditure over the Capital Programme period will be those below.

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Investment in industrial estates to create high-tech industrial park for key sectors	250	500	0	0
Colliers Wood Regeneration Fund	1,548	0	0	0
Mitcham - Outer London Fund	300	0	0	0
Town Centre Improvements	560	750	878	1,037

12.4 Community and Housing

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 2013/14 comprises:

	2013/14 £000
Adult Social Care Information Technology	1,220
Housing	316
Total	1,536

At present there are no Community and Housing Schemes in the Capital Programme for 2014-16. In 2016/17 there is a £550,000 budget for re-provision of Collier Wood Library.

There are two additions expected to the programme:

- A) An Affordable Housing Development at Western Road was approved by Council on 6 February 2013. This scheme is to be funded from Section 106 contributions. It will be added to the programme when arrangements are finalised and the cost confirmed.
- B) Department of Health Grant as detailed in section 9.3 for which a suitable scheme needs to be identified. This grant is unring-fenced, currently no scheme has been identified to utilise the funding.

12.5 Overall Programme

12.5.1 The approved Capital Programme for 2013/17 follows at Annex 1, Annex 3 provides an additional breakdown detail of the approved schemes. The summary is as follows:

Capital Programme	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Corporate Services	7,252	4,102	3,375	3,172
Children, Schools & Families	28,429	17,640	11,690	27,950
Environment & Regeneration	12,861	12,195	20,643	6,673
Community and Housing	1,536	0	0	550
Total	50,078	33,937	35,708	38,345

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 2012/13 is approved, the 2013/14 Capital Programme will be adjusted accordingly.

- 12.5.4 Annex 1 Capital Investment Programme - Schemes for Approval
- Annex 2 Funding the Capital Programme 2013-17
- Annex 3 Detailed Capital Programme 2013-17
- Annex 4 Analysis of Growth
- Annex 5 Indicative Capital Programme 2017-22

CAPITAL INVESTMENT PROGRAMME – SCHEMES FOR APPROVAL

Department	2013/14	2014/15	2015/16	2016/17
Corporate Services	7,252	4,102	3,375	3,172
Children, Schools and Families	28,429	17,640	11,690	27,950
Environment and Regeneration	12,861	12,195	20,643	6,673
Community and Housing	1,536	0	0	550
Total	50,078	33,937	35,708	38,345

Corporate Services	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Infrastructure & Transactions	2004	224	1525	1672
Business Improvement	297	1,228	0	0
Resources	261	0	0	0
Corporate Governance	0	0	0	0
Corporate	1,000	2,000	1,000	500
FM Capital Works	3,690	650	850	1,000
Total	7,252	4,102	3,375	3,172

Children, Schools and Families	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Primary School Expansions	25,873	16,840	10,140	5,400
Garden PCP	248	0	0	0
Schools Capital Maintenance and Accessibility	400	400	400	400
Liberty Primary School	4	0	0	0
Primary school autism unit	612	0	0	0
Brightwell	100	0	0	0
Youth & Community centres reprovion	139	0	0	0
Secondary School expansion	0	400	1,150	22,150
Raynes Park Sports Pavilion	80	0	0	0
Ursuline Loan	600	0	0	0
Schools Equipment Loans	373	0	0	0
Total	28,429	17,640	11,690	27,950

CAPITAL INVESTMENT PROGRAMME – SCHEMES FOR APPROVAL

Environment and Regeneration	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Transport for London	1,919	1,839	1,839	0
CCTV and Anti-Social Behaviour (ASB)	165	40	0	0
Environmental Health	804	764	764	784
Highway Maintenance	3,177	2,912	2,912	2,759
Greenspaces	752	250	250	425
Leisure Centres	300	1,300	10,300	300
On and Off Street Parking	133	0	0	0
Plans and Projects	140	0	0	0
Future Merton (Regeneration & Partnerships)	3,155	1,250	878	1,037
Street Scene	451	315	275	100
Street Lighting	390	300	200	462
Traffic and Parking Management	323	135	135	306
Transport and Plant	683	3,000	3,000	500
Waste Operations	131	90	90	0
Other	338	0	0	0
TOTAL	12,861	12,195	20,643	6,673

* To be confirmed in future years

Community and Housing	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Libraries	0	0	0	550
Adult Education and Community	0	0	0	0
Adult Social Care	1,220	0	0	0
Housing*	316	0	0	0
Total	1,536	0	0	550

* Does not include Western Road Housing Development

Merton	Capital Programme £000s	Merton Funded £000s	Funded by Grant & Capital Contributions £000s
TOTAL Revised 2012/13	45,453	21,739	23,714
Potential Slippage c/f	(1,545)	(1,505)	(40)
TOTAL Spend 2012/13	43,908	20,235	23,674
2013/14 Revised Budget	50,078	34,408	15,670
Potential Slippage b/f	1,545	1,505	40
Potential Slippage c/f	(7,743)	(6,662)	(1,082)
TOTAL Spend 2013/14	43,879	29,251	14,629
2014/15 Draft Budget	33,937	23,634	10,303
Potential Slippage b/f	7,743	6,662	1,082
Potential Slippage c/f	(2,134)	(1,965)	(169)
TOTAL Spend 2014/15	39,546	28,331	11,215
2015/16 Draft Budget	35,708	25,445	10,263
Potential Slippage b/f	2,134	1,965	169
Potential Slippage c/f	(1,892)	(1,770)	(122)
TOTAL Spend 2015/16	35,950	25,639	10,311
2016/17 Draft Budget	38,345	30,345	8,000
Potential Slippage b/f	1,892	1,770	122
Potential Slippage c/f	(2,015)	(2,009)	(6)
TOTAL Spend 2016/17	38,222	30,107	8,116

Corporate Services	Scrutiny Panel *	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Infrastructure & Transactions					
IT Equipment	OSC	675	182	940	0
IT Strategy - unallocated	OSC	7	0	0	0
Transformation (IT) - I&T	OSC	155	35	85	250
Connect to N3 Network NHS Spine	OSC	66	0	0	0
Disaster recovery	OSC	111	0	0	0
Transformation (IT) - Unallocated	OSC	990	7	500	0
IT SD Stability	OSC	0	0	0	1422
Subtotal - I&T		2,004	224	1,525	1,672
Business Improvement					
Replacement parking system - E&R	OSC	0	0	0	0
Customer Contact Programme	OSC	127	658	0	0
Replacement document management system	OSC	170	570	0	0
Subtotal - BI		297	1,228	0	0
Resources					
Capital Reporting Project	OSC	27	0	0	0
Improve Information Systems	OSC	234	0	0	0
Subtotal - Resources		261	0	0	0
Corporate Governance					
Subtotal - Corporate Governance	OSC	0	0	0	0
Corporate					
Capital Bidding Fund	OSC	0	1,000	1,000	0
Acquisitions Budget	OSC	1,000	1,000	0	500
Subtotal - Corporate		1,000	2,000	1,000	500
FM Capital Works					
Civic Centre refurbishment	OSC	110	100	0	0
Energy Utilities Invest to Save	SC	100	100	0	150
Invest to Save schemes - General	OSC	273	100	0	150
Water Safety Works	OSC	0	0	0	150
Asbestos Works	OSC	0	0	0	250
Pollards Hill RG- Access Works	OSC	40	0	0	0
FM Capital Works - Facilities	OSC	200	200	200	300
Civic Centre Windows	OSC	2,967	150	0	0
Civic Centre - Upgrading of 4 main passenger lifts	OSC	0	0	650	0
Subtotal - FM		3,690	650	850	1,000
Total		7,252	4,102	3,375	3,172

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

Children, Schools and Families	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Aragon Expansion	CYP	0	0	0	0
Benedict Expansion	CYP	0	0	0	0
Cranmer Expansion	CYP	4,001	0	0	0
Hollymount Permanent expansion	CYP	0	0	0	0
Joseph Hood Permanent expansion	CYP	199	0	0	0
St Mary's expansion	CYP	2,267	1,100	100	0
Pupil Growth - Unallocated (Split)	CYP	0	0	0	0
Gorringe Park expansion	CYP	962	150	0	0
Hillcross School Expansion	CYP	2,528	1,700	250	0
Merton Abbey Temp Accomodation	CYP	2,018	1,700	200	0
Pelham School Expansion	CYP	1,121	2,849	1,226	0
Cricket Grn Exp-Chapel Orchard	CYP	60	0	0	0
Beecholme 2 Temp. classrooms	CYP	545	2,775	1,575	0
23 FE School to be Confirmed	CYP	225	1,575	1,575	1,600
24 FE School to be Confirmed	CYP	0	300	1,575	1,600
25 FE School to be Confirmed	CYP	0	300	1,575	1,600
26FE Temporary Solution for Sept. 2015	CYP	0	0	325	0
27FE Temporary Solution for Sept. 2016	CYP	0	0	0	300
28FE Temporary Solution for Sept. 2016	CYP	0	0	0	300
Dundonald expansion	CYP	4,762	728	0	0
Poplar Permanent Expansion	CYP	588	3,113	1,739	0
Liberty expansion	CYP	0	0	0	0
Singlegate expansion	CYP	4,246	380	0	0
Wimbledon Park expansion	CYP	2,127	170	0	0
Holy Trinity Expansion	CYP	224	0	0	0
Primary School Expansions		25,873	16,840	10,140	5,400
Garden PCP	CYP	248	0	0	0
Schools Capital Maintenance and Accessibility	CYP	400	400	400	400
Liberty Primary School	CYP	4	0	0	0
Primary school autism unit	CYP	612	0	0	0
Brightwell	CYP	100	0	0	0
Youth & Community centres reprovision	CYP	139	0	0	0
Secondary School expansion	CYP	0	400	1,150	22,150
Raynes Park Sports Pavilion	CYP	80	0	0	0
Ursuline Loan	CYP	600	0	0	0
Schools Equipment Loans	CYP	373	0	0	0
Other		2,556	800	1,550	22,550
Total		28,429	17,640	11,690	27,950

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Environment and Regeneration	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Earmarked Schemes - Transport for London	SC	1,919	1,839	1,839	0
CCTV and Anti-Social Behaviour (ASB)					
CCTV (Match Funding)	SC	130	40	0	0
CCTV - Raynes Park	SC	2	0	0	0
Relocation of cameras 50 & 52	SC	8	0	0	0
B495a/b/c CCTV Upgrade	SC	16	0	0	0
Works for Merton Priory Homes	SC	9	0	0	0
Environmental Health					
Disabled Facilities Grant - DFG Contribution	SC	444	444	444	444
Disabled Facilities Grant - LBM Contribution	SC	280	280	280	280
Small Repairs Grant (Private Sector Housing Programme)	SC	80	40	40	60
Highway Maintenance - Footways					
Footways Planned Works	SC	1,000	1,000	1,000	1,000
B517 Enhancement to Footway	SC	3	0	0	0
B499ab Imprve Holborn Way link	SC	10	0	0	0
B500 7-13 Church Rd footway	SC	11	0	0	0
Highway Maintenance - General					
Demand for Surface Water Drainage - Flooding	SC	62	62	62	69
Highways bridges and structures improvements	SC	260	260	260	0
Maintenance Anti-Skid and Coloured	SC	90	90	90	90
B340MOSS Rpt (Land Rutlish Road)	SC	4	0	0	0
B497/8 Lombard Rd Improvements	SC	36	0	0	0
River Wandle Footbridge	SC	36	0	0	0
Haydons Road	SC	58	0	0	0
New Traffic Schemes	SC	30			
B638d/e Sustainable Transport	SC	6	0	0	0
B646a Lombard Industrial Estate	SC	24	0	0	0
B646b 7 Abbey Road	SC	4	0	0	0
B639a Fair Green	SC	43	0	0	0
Highway Maintenance - Roads					
Highways Planned Roadworks	SC	1,500	1,500	1,500	1,600
Greenspaces					
B619 Ravensbury Park entrance	SC	5	0	0	0
MSJCB Loan	SC	175	0	0	0
S106 South Park Gardens B346	SC	49	0	0	0
B488 Landscape Dundonald Rec Ground	SC	22	0	0	0
B617a-c Wimbledon Park upgrade	SC	15	0	0	0
B486 Landscape Cottenham Park & Holland Gardens	SC	2	0	0	0
Repairs to Water Wheel (B531)	SC	2	0	0	0
B595 Colliers Wood Recreation Ground play area	SC	10	0	0	0
Rowan Road Recreation Ground (B525)	SC	6	0	0	0
Joseph Hood Playground (B524)	SC	9	0	0	0
B621 Joseph Hood Recreation Ground	SC	3	0	0	0

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Environment and Regeneration	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
Greenspaces Continued.....					
B627a&b Cottenham Park-play area	SC	3	0	0	0
B521 - Morden Park	SC	30	0	0	0
Play Space Pollard Hill	SC	50	0	0	0
B596a&b,B625a-c Cricket Green Area	SC	21	0	0	0
B626a-c Cottenham Park & Holland Gardens	SC	28	0	0	0
Parks Investment	SC	250	250	250	425
Wall Repairs Church Lane & John Innes Parks	SC	50	0	0	0
B651 South Park Gardens Pavilion	SC	17	0	0	0
B647 John Innes Park Improvement	SC	2	0	0	0
B650 Rowan Road Park Improvement	SC	3	0	0	0
Leisure Centres					
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	SC	300	300	300	300
Morden Pool Park and Leisure Centre Investment	SC	0	1,000	10,000	0
On and Off Street Parking					
Review & extension of CPZ W6	SC	15	0	0	0
B548 Obstructive Parking Grove Rd	SC	1	0	0	0
B578 Merton Park CPZ (MP1)	SC	14	0	0	0
B579 Upper Green West	SC	3	0	0	0
Improved parking for shop parades (dropped kerbs, machines, etc)	SC	100	0	0	0
Plans and Projects					
Climate Change Initiatives	SC	140	0	0	0
Future Merton (Regeneration & Partnerships)					
Investment in industrial estates to create high-tech industrial park for key sectors	SC	250	500	0	0
Colliers Wood Regeneration Fund	SC	1,548	0	0	0
Mitcham - Major Schemes (a)	SC	300	0	0	0
Mitcham - Outer London Fund (b)	SC	36			
Restoration of South Park Gardens	SC	131	0	0	0
Mitcham Means Business	SC	250	0	0	0
S106 Bottleneck Skills Grant	SC	14	0	0	0
B585 Economic Development Strategy	SC	25	0	0	0
Queensmere Avenue	SC	5	0	0	0
S106 Wimbledon Broadway CA	SC	6	0	0	0
B611 - Comm Facilities in WTC	SC	30	0	0	0
Town Centre Improvements	SC	560	750	878	1,037
Street Scene					
Street Scene Improvement Programme	SC	250	250	250	0
Improve markings & road signs	SC	89	0	0	0
B591b Shop Front Improvement	SC	25	0	0	0
B591a Street Scene Improvement	SC	22	0	0	0
Street tree programme (25 year programme)	SC	65	65	25	100

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Environment and Regeneration	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
Street Lighting					
Street Lighting Replacement Programme	SC	390	300	200	462
Traffic and Parking Management					
B583 Wandle Road Area 20mph	SC	4	0	0	0
B584 Eastfield Area 20mph zone	SC	6	0	0	0
Area Traffic calming measures/investigation	SC	120	0	0	0
Minor traffic / danger reduction measures	SC	20	120	120	0
Traffic surveys and safety measures/investigations	SC	15	15	15	0
Wimbledon Area Traffic Study	SC	121	0	0	0
High Path Area (Option 1 + 3)	SC	6	0	0	0
Parkway Area (20 mph scheme)	SC	3	0	0	0
Pelham Road Area 20mph scheme	SC	1	0	0	0
Transport Planning (LBP Design Costs)	SC	27	0	0	0
Traffic Schemes	SC	0	0	0	306
Transport and Plant					
Replacement of Fleet Vehicles	SC	500	500	500	500
Network Rail	SC	9	0	0	0
B494 BSA Improvement 12261/12263	SC	5	0	0	0
Shared Space	SC	20	0	0	0
B573 Business Area Improvement Programme	SC	24	0	0	0
B544 Wimbledon Station Access	SC	38	0	0	0
B603 Improvements Coome Lane	SC	37	0	0	0
B609 Wimbledon Town Centre transport	SC	5	0	0	0
B610 Wimbledon Town Centre transport	SC	42	0	0	0
B612 Safety & transport improvement	SC	3	0	0	0
Transportation enhancements in Wimbledon, Morden and Mitcham town centres	SC	0	2,500	2,500	0
Waste Operations					
Alley Gating Scheme - Fly Tipping	SC	50	50	50	0
Planned Maintenance of Re-use/recycling Sites	SC	40	40	40	0
Waste Services	SC	15	0	0	0
Kitchen waste containers replacement	SC	26	0	0	0
Other					
Big Lottery Play Areas	SC	27	0	0	0
B551 B553 Mitcham schemes	SC	4	0	0	0
B502/3 Going for Gold Action Plan	SC	80	0	0	0
Invest to Save	SC	227	0	0	0
TOTAL		12,861	12,195	20,643	6,673

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

Community and Housing	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Libraries					
Relocation of Colliers Wood Library	SC	0	0	0	550
Adult Education and Community					
Adult Social Care					
CareFirst report Development	HCOP	13	0	0	0
Adult Social care Collections	HCOP	10	0	0	0
Excel Add-Ins	HCOP	3	0	0	0
Captive E-Learning for CareFirst	HCOP	10	0	0	0
Laptops for Social Care Managers	HCOP	0	0	0	0
Laptops for Other Social Workers & Care Staff	HCOP	80	0	0	0
Telehealth	HCOP	53	0	0	0
Merton Information Portal	HCOP	80			
Replacement of Social Care System	HCOP	900	0	0	0
Contingency	HCOP	71	0	0	0
Housing					
Birches Close	SC	45			
8 Wilton Road	SC	271	0	0	0
Western Road	SC	0	TBC	TBC	0
Total		1,536	0	0	550

* OSC= Overview and Scrutiny Commission, CYP = Children and Young People, HCOP = Healthier Communities and Older People, SC = Sustainable Communities, TBC – To Be Confirmed

Department	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Corporate Services	0	1,000	1,000	3,172
Children, Schools and Families	485	5,050	8,025	28,450
Environment and Regeneration	23	1,839	1,839	6,344
Community and Housing	0	0	0	550
Total	508	7,889	10,864	38,516

Corporate Services	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Infrastructure&Transactions					
Transformation (IT) - I&T	OSC				250
IT SD Stability	OSC				1422
Business Improvement					
Resources					
Corporate Governance					
Corporate					
Capital Bidding Fund	OSC		1,000	1,000	
Acquisitions Budget	OSC				500
FM Capital Works					
Energy Utilities Invest to Save	SC				150
Invest to Save schemes - General	OSC				150
Water Safety Works	OSC				150
Asbestos Works	OSC				250
FM Capital Works - Facilities	OSC				300
Total		0	1,000	1,000	3,172

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

Children, Schools and Families	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
School expansion 19FE to 25FE (Garfield)	CYP	(240)	(600)		
Beecholme 2 Temp. classrooms	CYP	400	2,800	1,600	
23 FE School to be Confirmed	CYP	325	1,600	1,600	1,600
24 FE School to be Confirmed	CYP		325	1,600	1,600
25 FE School to be Confirmed	CYP		325	1,600	1,600
26FE Temporary Solution for Sept. 2015	CYP			325	0
27FE Temporary Solution for Sept. 2016	CYP				325
28FE Temporary Solution for Sept. 2016	CYP				325
Primary School Expansions		485	4,450	6,725	5,450
Schools Capital Maintenance and Accessibility	CYP				400
Secondary School expansion	CYP		600	1,300	22,600
Other		0	600	1,300	23,000
Total		485	5,050	8,025	28,450

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

Environment and Regeneration	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Transport for London		23	1,839	1,839	0
CCTV and Anti-Social Behaviour (ASB)					
Environmental Health					
Disabled Facilities Grant - DFG Contribution	SC				444
Disabled Facilities Grant - LBM Contribution	SC				280
Small Repairs Grant (Private Sector Housing Programme)	SC				60
Highway Maintenance					
Footways					
Footways Planned Works	SC				1,000
General					
Demand for Surface Water Drainage - Flooding	SC				69
Maintenance Anti-Skid and Coloured	SC				90
Roads					
Highways Planned Roadworks	SC				1,600
Greenspaces					
Parks Investment	SC				425
Leisure Centres					
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	SC				300
On and Off Street Parking					
Plans and Projects					
Future Merton (Regeneration & Partnerships)					
Town Centre Improvements	SC				708
Street Scene					
Street tree programme (25 year programme)	SC				100
Street Lighting					
Street Lighting Replacement Programme	SC				462
Traffic and Parking Management					
Traffic Schemes	SC				306
Transport and Plant					
Replacement of Fleet Vehicles	SC				500
Other					
TOTAL		23	1,839	1,839	6,344

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

Community and Housing	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Libraries					
Relocation of Colliers Wood Library	SC				550
Adult Education and Community					
Adult Social Care					
Housing					
Total		0	0	0	550

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

Corporate Services	Indicative 2017/18 Budget	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Scrutiny Panel*
	£000s	£000s	£000s	£000s	£000s	
Infrastructure&Transactions						
Transformation (IT) - I&T	120	275	0	0		OSC
IT SD Stability	1,796	525	430	871	781	OSC
Subtotal - I&T	1,916	800	430	871	781	
Corporate						
Subtotal - Corporate	0	0	0	0	0	
FM Capital Works						
Energy Utilities Invest to Save	150	150	150	150	150	SC
Invest to Save schemes - General	150	150	150	150	150	OSC
Water Safety Works	150	100	75	50	25	OSC
Asbestos Works	250	250	250	250	250	OSC
FM Capital Works - Facilities	300	300	300	300	300	OSC
Subtotal - FM	1,000	950	925	900	875	
Total	2,916	1,750	1,355	1,771	1,656	

Children, Schools and Families	Indicative 2017/18 Budget	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Scrutiny Panel*
	£000s	£000s	£000s	£000s	£000s	
23 FE School to be Confirmed	0	0	0	0	0	CYP
24 FE School to be Confirmed	1,600	0	0	0	0	CYP
25 FE School to be Confirmed	1,600	0	0	0	0	CYP
27FE Temporary Solution for Sept. 2016	0	0	0	0	0	CYP
28FE Temporary Solution for Sept. 2016	0	0	0	0	0	CYP
29FE Temporary Solution for Sept. 2017	325	0	0	0	0	CYP
Primary School Expansions	3,525	0	0	0	0	
Schools Capital Maintenance and Accessibility	400	400	400	400	400	CYP
Secondary School expansion	35,000	0		15,000		CYP
Other	35,400	400	400	15,400	400	
Total	38,925	400	400	15,400	400	

Environment and Regeneration	Indicative 2017/18 Budget	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Scrutiny Panel*
	£000s	£000s	£000s	£000s	£000s	
Earmarked Schemes - Transport for London						
Environmental Health						
Disabled Facilities Grant - LBM Contribution	280	280	280	280	280	SC
Small Repairs Grant (Private Sector Housing Programme)	60	60	60	60	60	SC
Greenspaces						
Parks Investment	350	350	350	350	350	SC
Highway Maintenance						
Footways						
Footways Planned Works	1,000	1,000	1,000	1,000	1,000	SC
General						
Demand for Surface Water Drainage - Flooding	69	69	69	69	69	SC
Maintenance Anti-Skid and Coloured	90	90	90	90	90	SC
Highways Planned Roadworks	1,600	1,600	1,600	1,600	1,600	SC
Leisure Centres						
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	300	300				SC
Street Scene						
Street tree programme (25 year programme)	100	100	100	100	100	SC
Street Lighting						
Street Lighting Replacement Programme	485	509	535			SC
Traffic and Parking Management						
Traffic Schemes	306	306	306	306	306	SC
Future Merton						
Plans & Projects						
On & Off Street Parking						
Street Lighting						
Transport and Plant						
Replacement of Fleet Vehicles	500	500	500	500	500	SC
Waste Operations						
Other						
TOTAL	5,140	5,164	4,890	4,355	4,355	

A) TREASURY MANAGEMENT POLICY STATEMENT

1. Introduction

1.1 Background and Treasury Management Policy Statement

The London Borough of Merton defines its Treasury Management activities as:

“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. ”

Merton Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the council, and any financial instruments entered into to manage these risks.

The council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It therefore commits to the principles of achieving value for money in Treasury Management, and employing suitable comprehensive performance management techniques, within the context of effective risk management.

1.2 Statutory requirements

The Local Government Act 2003 (the Act) as amended in 2011 and supporting regulations, requires 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.

1.3 CIPFA Requirements

The CIPFA Code of Practice on Treasury Management (Revised November 2009) has been adopted by the council. The recommendations of the CIPFA guidance notes for Local Authorities 2011 and the CIPFA Code of Practice notes for Local Authorities 2011 has also been adopted.

1.4 Balanced Budget Requirement

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 for the council to set a balanced budget. Section 32 requires a local authority to calculate its budget requirement for each financial year. This must include the revenue costs that flow from capital financing decisions. This therefore means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- Increases in interest charges caused by increased borrowing to finance additions to capital expenditure; and
- Any increases in running costs from new capital projects, are limited to a level which is affordable within the projected income of the council for the foreseeable future.

Part of the Treasury Management operation is to ensure that this cash flow is adequately planned, with cash being available for spend when it is needed. All cash surplus are invested in low risk counterparties or instruments which meet the council's agreed risk appetite. Provision is first made for adequate liquidity before considering investment return.

The capital plans provide a guide to the borrowing need of the council, to manage this, the council has to control and plan its long term cash flow. It is this cash flow planning which ensures that the council can meet its capital spending obligations. In addition, the management of longer term cash may involve arranging long or short dated loans, or using longer term cash flow surpluses. On some occasion and after careful thought of the S151 Officer any debt previously drawn may be restructured or repaid to meet council risk or cost objectives.

1.5 The Treasury Management strategy for 2013/14 covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the Minimum Revenue Provision strategy.

Treasury Management Issues

- the current treasury position as at January 2013;
- treasury indicators which will limit the treasury risk and activities of the council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the Annual Investment Strategy;
- creditworthiness policy
- Treasury Management Principles (Appendix 7);
- cash flow policy; and
- policy on use of external service providers.

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. The Current Treasury Position

2.1 The Use of the Council's Resources and the Investment Position

The application of resources (capital receipts, 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 2013

Year End Resources	2011/12 Actual £'000	31 January 2012/13 Actual £'000	31 March 2012/13 Estimate £'000
Investments	57,000	82,000	50,623
Interest on investments	972	839	965
Borrowing			
Long Term Borrowing	116,976	116,976	116,976
Short Term Borrowing	8,000	8,000	8,000
Total Debt	124,976	124,976	124,976
Interest on Debt			
Long Term	6,696	4,049	6,693
Short Term	104	7	33
Total Interest on Debt	6,800	4,056	6,726

2.2 The application of resources (capital receipts, reserves etc) to 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 like asset sales. Appendix 8 of this report also shows the detailed cash flow.

3. The Capital Prudential Indicators

3.1 Capital expenditure plans are one of the key drivers of Treasury Management activity, the output of the capital expenditure plans is reflected in prudential indicators which are designed to provide members with an overview and confirm capital expenditure plans.

Capital Expenditure – this indicator is a summary of the council’s capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. It should be noted that the figures in the table below do not reflect any slippage in the capital programme.

Capital Expenditure	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Children Schools & Families	19,084	27,399	28,429	17,640	11,690	27,950
Community & Housing	1,969	1,311	1,536	0	0	550
Corporate Services	4,358	2,979	7,252	4,102	3,375	3,172
Environment & Regeneration	16,889	13,764	12,861	12,195	20,643	6,673
Total Non-HRA	42,299	45,453	50,078	33,937	35,708	38,345

The table below shows how the capital expenditure plans are being financed by revenue or capital resources. A short fall 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.

Capital Expenditure	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Capital Expenditure	42,299	45,453	50,078	33,937	35,708	38,345
Slippage*		(1,545)	(6,199)	5,609	242	(123)
Total Capital Expenditure	42,299	43,908	43,879	39,546	35,950	38,222
Financed by:						
Capital Receipts		952	1,148			
Capital Grants & Contributions	29,175	23,674	14,629	11,215	10,311	8,116
Capital Reserves						
Revenue Provisions	575	3,263	3,101			
Other Financing Sources						
Net financing need for the year	12,548	16,019	25,002	28,331	25,639	30,107

*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), this is simply 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. 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.

This council has no Housing Revenue Account (HRA) and no new PFI schemes in 2013/14. The CFR below is shown net of these liabilities.

	2011/12 Actual	2012/13 Actual	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Capital Financing Requirement	190,532	193,577	201,587	218,154	237,304	253,043
CFR (non-housing)	3,045	8,020	16,557	19,150	15,739	19,902
Total CFR	193,577	201,597	218,154	237,304	253,043	272,945
Movement in CFR	3,045	8,020	16,557	19,150	15,739	19,902
Movement in CFR represented by						
Net financing need for the year (above)	12,548	16,019	25,002	28,331	25,639	30,107
Less Capital MRP/VRP	(7,033)	(7,368)	(7,776)	(8,198)	(8,990)	(9,449)
Less Other MRP/VRP (leasing, PFI)	(1,194)	(631)	(669)	(983)	(911)	(756)
Less Other financing movements						
• Adjustment of PFI Liability	(1,247)					
• Adjustment of MRP	(29)					
Movement in CFR	3,045	8,020	16,557	19,150	15,739	19,902

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.

%	2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
Ratio of Financing Costs to Net Revenue Stream (Non HRA)	10.13%	10.25%	10.14%	10.87%	11.39%	12.14%

The table below shows the monetary values for the above ratio

£	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Net Revenue Financing Costs	17,144	16,555	16,948	17,625	18,454	19,713
Net Financing Stream**	169,270	161,553	167,199	162,150	162,150	162,150

Net Financing Stream from 2013/14 onwards includes Public Health Grant, 2014/15 is used as an approximation for 2015/16 and 2016/17

Estimates of the incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the four year capital programme recommended in this budget report compared to the council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support by way of grants.

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.

%	2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
Council tax – band D	-0.06%	-0.71%	0.53%	0.91%	1.13%	1.64%

£	2011/12 Actual £	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
Incremental Change in Capital Financing Costs	(47,000)	(588,840)	393,360	676,259	839,042	1,213,951
Council Tax Base	74,486	74,816	66,981	66,981	66,981	66,981
Incremental Impact on Council Tax - Band D***	-0.63	-7.87	5.87	10.10	12.53	18.12
Council Tax - Band D	1,106.57	1,106.56	1,106.56	1,106.56	1,106.56	1,106.56

***2011/12 and 2012/13 are actual council tax amounts, 2013/14 is proposed and this value is used as an approximation of future years. Change in council tax base is due to Council Tax Reform. Council tax base for future years is based on 2013/14

4. Minimum Revenue Position (MRP)

- 4.1 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 London Borough of Merton has not made any provision for VRP in its capital expenditure.

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will follow the existing practice outlines in former 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 – MRP will be based on the estimated life of the assets – 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 approximately the asset's life.

Category	Depreciation (Years)
Properties valued over £1m	
Buildings	50
Mechanical & Electrical	20
External	20
Properties 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

The Treasury Management function ensures that the council's cash is organised in such a way as to make available sufficient cash to meet its service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

5.1 The Prospects for Interest Rates and economic forecasts

The following table gives the central position on the council's Treasury Management adviser's view on the prospects on interest rates.

Annual Average %	Bank Rate	PWLB Borrowing Rates		
		5 year	25 year	50 year
Dec 2012	0.50	1.50	3.80	4.00
March 2013	0.50	1.50	3.80	4.00
June 2013	0.50	1.50	3.80	4.00
Sept 2013	0.50	1.60	3.80	4.00
Dec2013	0.50	1.60	3.80	4.00
March 2014	0.50	1.70	3.90	4.10
June 2014	0.50	1.70	3.90	4.10
Sept 2014	0.50	1.80	4.00	4.20
Dec 2014	0.50	2.00	4.10	4.30
March 2015	0.50	2.20	4.30	4.50
June 2015	1.00	2.30	4.40	4.60
Sept 2015	1.25	2.50	4.60	4.80
Dec 2015	1.50	2.70	4.80	5.00
March 2016	1.75	2.90	5.00	5.20

The council can borrow currently from the PWLB at 0.20% below less than published rates.

The Eurozone is making slow headway which has curtailed some of the immediate risks although the peripheral countries continue to struggle.

Growth in the UK economy is unlikely to return to trend for the foreseeable future, Q3 GDP was strong at 0.90% but this momentum is unlikely to be sustained in Q4 or in 2013.

Consumer Price Inflation has fallen to 2.7% from a peak of 5.2%

The fiscal outlook for bringing down the structural deficit and stabilise debt levels remain very challenging. Weakened credibility of the UK in reducing its levels of debt poses a risk to the AAA status. Moody rating agency was the first rating agency to downgrade the UK's AAA status by one notch to Aa1. However recent history (US, France) suggests this may not automatically result in a sell-off in gilts or increased cost of borrowing. The full impact of this rating is at this point not fully known.

- Investment returns are likely to remain relatively low during 2013/14;
- Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of capital – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns

5.2 Borrowing Strategy

Current Borrowing Portfolio Position

The table below shows the CFR against the gross debt position of the council. The gross debt includes other long term liabilities like PFI and finance lease obligations.

	2011/12 Actual £'m	2012/13 Actual £'m	2013/14 Estimate £'m	2014/15 Estimate £'m	2015/16 Estimate £'m	2016/17 Estimate £'m
External Debt						
Debt at 1 April	151,201	125,039	124,976	116,976	116,976	127,510
Expected change in Debt	-26,162	-63	-8,000	0	10,534	19,858
Other long-term liabilities	41,066	39,214	37,287	36,216	34,734	33,377
Expected change in Other Long term Liabilities	-1,852	-1,928	-1,071	-1,482	-1,457	-1,345
Actual gross debt at 31 March	164,253	162,262	153,192	151,710	160,787	179,400
Capital Financing Requirement	193,577	201,578	218,154	273,304	253,043	272,945
Under/(over) borrowing	29,324	39,335	64,962	85,595	92,256	93,545

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 cash flow has been used as a temporary measure. This strategy is prudent as investment returns are currently low and counterparty risk is high. Against this background and the risks within the economic forecast, the Director of Corporate Services will monitor interest rates in financial markets.

Given the fact that investment rates will be below long term borrowing rates the current strategy is to avoid taking new long term borrowing. Instead short term borrowing or the use of the council's own cash balances will be used to finance capital expenditure. This would maximise short term savings.

However, the decision to increase internal borrowing to generate short term savings will be periodically evaluated against the potential for incurring additional long term borrowing costs in later years when long term interest rates are forecast to be significantly higher. Therefore, if interest rates fall within the council's trigger rate or interest rates begin to rise faster than expected due to downgrade of the UK credit rating, the council will consider borrowing in advance of need.

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 LOBO's and the various options available to the council.

The borrowing strategy to temporarily finance its capital program, 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 then the council will borrow in advance of need or where interest rates are expected to rise significantly due to the effect of the down grade of the UK credit rating. The council will review this in 2013/14 to assess options around higher and lower levels of cash-backed balances.

The option that the capital program will continue to reduce and no further capital program will be considered except fully funded, this will mean that the future estimated cash balance will remain at considerable levels that will no require the council to borrow.

Consideration was also given to the future borrowing rates for the council as new borrowing is expected to be undertaken at unknown future rates which in the current economic climate are predicted to be lower therefore reducing the future average borrowing rate for the council.

Consideration was given to the fact that in the current economic climate the LOBO's 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 2013/14 to meet the call options based on the current estimates of the use of internal borrowing for the capital program and the council's average rate on its debt portfolio will reduce significantly.

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 last year in relation to treasury management, the Council has chosen to participate in the risk study and adopt the risk toolkit in 2013/14 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.

5.3 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary - this is the limit beyond which external borrowing is not normally expected to exceed.

Operational boundary £'000	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Debt	125,039	124,976	116,976	116,976	127,510	147,368
Other long term liabilities	39,214	37,286	36,216	34,734	33,277	32,032
Operational Boundary	164,253	162,262	153,192	151,710	160,787	179,400

The Authorised Limit for external borrowing.

The limit 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.

	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Gross Debt	164,253	162,262	153,192	151,710	160,787	179,400
Headroom		20,000	30,000	30,000	30,000	30,000
Authorised Limit	164,253	182,262	183,192	181,710	190,787	209,400

Members are required to note that these authorised limits shows the gross maximum borrowing for the year and includes off balance sheet PFI as well as allow for any potential overdraft position as this will be counted against the overall borrowing and 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

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure - this identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure - this is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing - these limits are set to reduce the council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Members are asked to note that the maturity structure guidance has 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.

The table below shows the fixed and variable interest rate exposure;

	2013/14	2014/15	2015/16	2016/17
Interest rate Exposures	Upper Estimate	Upper Estimate	Upper Estimate	Upper Estimate
Upper limit for fixed interest rates based on net debt	100%	100%	100%	100%
Upper limit for variable interest rates based on net debt	50%	50%	50%	50%
Limits on fixed interest rates:				
• Debt only	100%	100%	100%	100%
• Investments only	100%	100%	100%	100%
Limits on variable interest rates				
• Debt only	40%	40%	40%	40%
• Investments only	40%	40%	40%	40%

The table below shows the Limits on the Maturity Structure of Borrowing

	Maturity Structure of fixed interest rate borrowing 2013/14			Maturity Structure of variable interest rate borrowing 2013/14		
	Actual at 31/01/2013	Lower	Upper	Actual	Lower	Upper
Under 12 months	6.4%	0%	60%	0%	0%	50%
12 months to 2 years	0%	0%	60%	0%	0%	50%
2 years to 5 years	3.17%	0%	60%	0%	0%	50%
5 years to 10 years	3.20%	0%	80%	0%	0%	50%
10 years and above	87.22%	0%	100%	0%	0%	50%

All council's LOBO loans are past the non-call periods therefore assumed to be fixed in the medium term and current economic climate.

Local Indicators

The table below shows target borrowing and investment rates

	2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
Investment Target Return	0.5%	1.20%	1.00%	1.50%	1.50%	2.00%
Long Term Borrowing Target						
• Current Portfolio	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%
• New Borrowing trigger rate	0	0	3.75%	3.75%	4.00%	4.00%

5.5 Policy on Borrowing in Advance of Need

The London Borough of Merton will not borrow more than, or in advance of its needs, 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 the borrowing trigger rates of 3.75% or less 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.

Year	Maximum Borrowing in advance	Notes
------	------------------------------	-------

2013-14	0%	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.
2014-15	No more than 50% of CFR increase	
2015-16	No more than 50% of CFR increase	
2016-17	No more than 50% of CFR increase	

5.6. Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short/medium term debt when considering options to fund the council's capital programme as part of the short term strategy to finance the capital programme. However, these savings will be considered in the light of the current treasury position, prospects of interest rates and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and / or the balance of volatility).

The table below shows the maturity profile of the council's current debt as at 31 January 2013

	£'000	% of portfolio
less than 1 year	8,000	6.40
1 - 2 years	0	0.00
2 - 5 years	3,966	3.17
5 -10 years	4,000	3.20
10 -15 years	31,010	24.81
15- 20 years	1,000	0.80
20 - 25 years	11,500	9.20
25-30 years	0	0.00
30 - 35 years	13,500	10.80
35-40 years	7,000	5.60
40 -45 years	25,000	20.00
45-50 years	20,000	16.00
Total	123,639	100.00

Currently interest rates on borrowing is low and expected to be low for the next 12 to 24 months. The cost of borrowing is expected to remain relatively low while returns on investment remains low due to low base rate. The average rate in the council's current debt portfolio is 5.72%. As part of its Treasury Management activities for 2013/14, the council will actively seek opportunities when borrowing rates become very low to enable it reduce the average rate of

its debt portfolio. This could be by repaying some of its debt early using capital receipts or rescheduling some debt or repaying some debt early and refinancing the cost of repayment with new loans at lower interest rates.

The review of redemption estimates showed that due to the high coupons rates of the council's portfolio debt, savings could only be made if the debt was prematurely repaid using cash or capital receipts rather than refinancing by taking new loans at lower coupon rates.

The Director of Corporate Services will continue to review and identify any residual potential for making savings and provide cabinet with updates when such circumstances present itself. All rescheduling made will be reported to cabinet at the earliest meeting following action.

5.7 Key and Future Changes which may affect Treasury Management

- **Public Works Loan Board project rate discount**
This measure introduces a Public Works Loan Board (PWLB) project rate at 40 basis points below the PWLB standard rate. The rate will be available to one strategic priority project identified in each of the Local Enterprise Partnership (LEP) areas. Each LEP will specify which Local Authorities will undertake the borrowing for their preferred project in line with the requirements of the PWLB which can only lend to Local Authorities. It is assumed that those Local Authorities borrowing would previously have borrowed at the PWLB certainty rate. It is assumed that 10% of the interest savings outside the Northern Line Extension is applied to local reserves and the remaining 90% to delivering local authority current expenditure.
- **"Scrutiny" rate**
From 1 November 2012, the Government reduced by 20 basis points (0.2%) the interest rates on loans from PWLB to principal local authorities who provided the required information on their plans for long-term borrowing and associated capital spending. The London Borough of Merton is one of the Council's on the PWLB approved list for this "certainty" rate discount.
The budget announced the possibility of a further reduced rate to the Public Works Loans Board borrowing rate known as the "scrutiny" rate. This rate is to be given "to authorities demonstrating best quality and value for money".
- **Corporate Bonds**
The recent change now allows English local authorities to invest in corporate bonds without classing them as capital expenditure, the council does not anticipate use in 2013/14. However should the council use them, the council will follow very closely the developments in legislations and CLG directives and also conduct due diligence if such instruments will be used.

- Future changes to accounting for schools

Proposals to accounting for schools in Local Authority Accounts where by payments of Dedicated Schools Grant to non-controlled schools will be recorded as payment to 3rd parties in the Income and Expenditure statement. Likely impacts are cashflow items like teachers payroll.

- Transport Infrastructure Assets
This is expected to start possibly in 2014/15 financial year. It is proposed that liabilities under PFI arrangements (for example road schemes) be recognized like they are financial liability under IAS39. It is anticipated that there will be not impact on MRP, however the impact on borrowing limits is unknown at the moment.
- 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 affect the underlying borrowing requirement of the Council. It is anticipated that there may be some impact on both capital and revenue income.

6. Annual Investment Strategy

6.1 Investment Policy

The London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 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. The forecast below is for investments of up to 12 months.

	Bank Rate Forecast / Actual (%)	3M LIBID Forecast (%)	12M LIBID Forecast	20 – year Gilt Yield	Council Investment Return Actual / Expectations (%)
Dec 2012	0.50	0.39	1.87	2.92	1.27
March 2013	0.50	0.40	0.85	2.90	1.20
June 2013	0.50	0.40	0.90	2.90	1.00
Sept 2013	0.50	0.40	0.95	2.90	1.00
Dec 2013	0.50	0.45	0.95	2.90	1.00
March 2014	0.50	0.45	1.00	3.00	1.00
June 2014	0.50	0.50	1.00	3.00	1.50
Sep 2014	0.50	0.50	1.00	3.00	1.50

The forecast rates have been built on the basis that bank rate is expected to remain unchanged to around quarter three of 2015, however if interest rates do not rise then future income expectations may not be met.

The interest receivable budget will therefore be built on the expectation that in;

2013/14	1.00% will be achieved
2014/15	1.50% will be achieved
2015/16	1.50% will be achieved
2016/17	2.00% will be achieved

Cash available for investments will be split into three categories;

- Operational cash
- Core cash
- Strategic cash

Strategic cash will aim to be locked for longer periods to enable the council to gain the advantage of good rates. However this is also constrained by counterparty risk. Operational cash will predominantly be overnight cash and cash locked away for less than one month.

6.3 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 to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

	2011/12 Estimate £'m	2012/13 Estimate £'m	2013/14 Estimate £'m	2014/15 Estimate £'m	2015/16 Estimate £'m
Principal sums invested greater than 364 days	8m	0m	20m	20m	20m

For its cash flow generated balances, the council will seek to utilise its, reserve accounts, 15 and 30 day notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

6.4 The use of Specified and Non-Specified Investments

Investment instruments identified for use in the financial year are as follows:

Specified Investments

An investment is a specified investment if all of the following apply:

- 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 (i.e. up to one year);
- The making of the investment is not 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]; 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.

6.5 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. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

Security - The council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.00% historic risk of default when compared to the whole portfolio. In determining probability of default of its counterparties, the council in addition to looking at historic risk of defaults, will also look to the actively traded CDS market which provides the basis for calculating the future probability of default on individual deposits.
- Liquidity – in respect of this area the council seeks to maintain:
- Bank overdraft - £1m
- Liquid short term deposits of around £5m available with a week's notice.
- Investments – average internal returns of the total investment portfolio above bank rate by 0.25%

6.6 Risk Management and Creditworthiness Policy

In managing its risk, the London Borough of Merton will only use financial instruments for the prudent management of its financial affairs and never for speculative purposes.

In relation to interest rate risk for both debt management and cash investment portfolios, the council will seek to borrow or invest according to where we perceive good value in the structure of interest rates (the yield curve). The council will seek to repay borrowings or sell investments to adjust the portfolio to adjust the incidence of risk within agreed limits. The council is aware that doing nothing does not avoid or minimise risk.

Risk thresholds vary as do our level of balances and periods for which these amounts are available. Parameters set in terms of credit quality, individual and maturity limits are based on the council's overall treasury policy, the structure of the investment portfolio, the general size of investment balances, the periods for which the investment amounts are generally available and the council's appetite for risk.

In order to minimise the risk to investments, the council's minimum acceptable credit quality of counterparties for inclusion on its lending list is listed below. Credit ratings including viability ratings are monitored daily in the first instance as prescribed by CIPFA using daily electronic notifications of the three agencies received from the council's treasury adviser.

In addition other monitoring takes the form of;

- Review where possible daily financial news and treasury journals for news on counterparties and sovereigns;
- Reviewing the Financial Times (FT) for news about counterparties and sovereigns;
- Receiving and reading direct mail shots from the ratings agencies;
- Share price monitoring of counterparties in the FT for early warning signals;
- Monitor other market information and pricing data such as the Credit Default Swaps via data obtained from the council's treasury adviser;
- As part of daily contact with brokers market information will be obtained;
- Trends in the markets and the impact of new
- The counterparties exposure to sovereign debt; and
- Provisions which the counterparty has in place in compliance with Financial Services Authority (FSA) and EU rules e.g. the Individual Liquidity Adequacy Standards – Basle Committee directives.
- For money market funds in addition to the credit rating, the Weighted Average Maturity and the constituents counterparties will be monitored daily in addition to comprehensive month end reviews..
- The Council's aggregate exposure to counterparties including its money market constituent funds will be monitored on a monthly basis and where possible daily.

Investment instruments identified for use in the financial year are listed in Appendices 2A and 2B to this report under the categories of specified and non specified investment categories

Apart from government owned or part owned banks, the minimum credit criteria the council will use for individual counterparties is stated below:

BANKS AND BUILDING SOCIETIES MINIMUM CRITERIA ACROSS ALL THREE RATING AGENCIES			
	FITCH	MOODY's	S&P
Short Term	F1	P-1	A-1
Long Term	A-	A3	A-
OTHER CRITERIA			
Viability / BFSR Rating	bbb+	c-	n/a
Support	2	n/a	n/a

For building societies in addition to credit criteria, the council will also use only the top ten building societies in terms of asset value. However credit quality rather than asset size or position in the league table ranking will be the main driver for selection.

	FITCH	MOODY's	S&P
Money Market Funds	AAAmf	Aaa-mf	AAAm
UK Gilts	AAA	Aaa	AAA
Government Institutions and DMADF	N/A (assume rating of UK Government Sovereign)		
Local authorities, parish councils Collateralised Deposits	N/A (assume rating of UK Government Sovereign)		
Supranational Institutions	AAA	Aaa	AAA
Multilateral Development Banks	AAA	Aaa	AAA

Duration of use for Counterparties - High levels of consumer indebtedness and elevated house prices continue to leave banks more vulnerable than in the past to downward risks that the economy faces. This means that some banks have sizeable exposure to volatile capital markets businesses therefore where possible, the council will use the Sector criteria for ratings in determining the duration of investments for its counterparties that meet its minimum credit criteria and monitor the CDS spreads of counterparties based on this data. Counterparties may therefore fall in to duration categories of:

- not to be used,
- use for three months or less ,
- use for six months or less,
- use for one year or less or
- use for one year or more
- use for two years or less or
- use for five years or less (this will apply to AAA rated government debt)

The council in addition to the criteria above will also consider the sovereign ratings of each of its counterparties. This is included in Appendix 3 of this report.

6.7 Counterparty Downgrades

A counterparty will be removed, suspended or kept on close watch from the council's approved list on the following grounds:

- 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;
- If the council is advised of movements in CDS which shows extreme market movements which may result in downgrade of an institution;
- If market information or market data indicate that there is cause for concern about a counterparty;
- If there are adverse changes to government support for banks or the support is withdrawn; and
- If the Sovereign rating of the counterparty is downgraded below the council's minimum rating for a sovereign.

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. Significant adverse changes in ratings will be reported to councillors in the mid year or end year treasury reports.

Treasury Risk Analysis – Investments

The tables below show the Security/Liquidity/Yield characteristics of the council's investments.

Portfolio Breakdown		Institution Type		Country		
Fixed Deposits	100%	Banks	77.87%	UK	100%	
Calls & O/N Deposits	0%	Building Societies	22.13%	Foreign (excludes MMF's)	0%	
MMF's	0%	Government/LA	0%			
Structured Products	0%	MMF's	0%			
Bonds	0%	Other	0%			
CD's	0%					
Property Funds	0%					
Maturity Structure of Investments as at 31 January 2013 (£'000)				Number of Executed Investments Outstanding (£'000)		
<1 month	0	0	0%	Under 3 months	2	£6,700
1 – 3 months	2	£6,700	8.17%	Under 6 months	8	£18,750
3 – 6 months	8	£18,750	22.87%	Under 1 year	27	£56,550
6 – 9 months	6	£13,500	16.46%	1 Year	0	0
9 – 12 months	21	£43,050	52.50%	2 year	0	0
12 months +	0	£0	0%	3 year	0	0

6.8 Provisions for Credit Related Losses

If any of the council's investments appears at risk of loss due to default (i.e. this is a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the council will make revenue provision of an appropriate amount.

6.9 Banking Arrangements

The council's bankers are Lloyds TSB bank, the council has over 263 bank accounts in total with Lloyds while the London Borough of Merton Pension Fund has one bank account in operation. 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.

From time to time the council may open bank accounts with other banks for specific reasons.

Where the Credit Rating of the council's bank Lloyds TSB which is currently part owned by the government should fall below its minimum credit criteria, the Council would continue to monitor the situation closely for any likelihood of collapse. The general expectation is that this may be unlikely to happen to a bank currently part owned by the government as failure of such UK institutions will be harmful worldwide. However, should a UK Financial Institution get close to this state it is anticipated that the FSA would look to put in place a controlled process to ease the fallout.

6.10 Country limits

The current economic climate has not only affected companies and financial institutions, it has affected sovereigns as well. In addition to counterparty selection, due care will be placed on country selection and only approved counterparties from countries with a minimum sovereign credit rating of AA- (Appendix 3).

This does not mean that the council will lend to every sovereign that meets this criteria, the list will be added to, or deducted from, by officers in consultation with the Director of Corporate Services, should ratings change in accordance with this policy. The council is mindful of the fact that investments should not be concentrated in one counterparty or country apart from the UK. Therefore;

- no more than 50% of the council's aggregate investments will be placed with any non-UK country at any time;
- Countries will be monitored weekly as part of the credit rating's monitoring for appropriateness against limits suggested by the council's treasury adviser Sector.

6.11 Nationalised and Part Nationalised Banks - Part nationalised UK banks – Lloyds Bank and Royal Bank of Scotland these banks will be included on the council's lending list in so far as they continue to be part nationalised or they meet the minimum ratings set by the council

6.12 Group Limits - No more than 50% of the council's aggregate funds will be placed in any one banking group.

6.13 Guarantee from Parent Banks - The council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above

6.14 Lending to Community Organisations and Other Third Parties - 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 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.

Recipients of this type of loans are unlikely to be a financial institution and therefore unlikely to be subject to a credit rating. In order to ensure security of the Authority's capital, extensive financial due diligence must be completed prior to any loan or investment being agreed. 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.

In other instances, the council may receive soft loans from government agencies, European Economic Community agencies or organisations like Salix for energy efficiency related loans.

6.15 Comparative Reviews - The Council participates in the CIPFA benchmarking club as well as the CIPFA risk study 2011/12. Key results from the Quarter 3 Report of the CIPFA risk study showed that Merton annual return on investments as at 31 December 2012 was 1.23% while the average was 1.21%.

7. Cash Flow Management

7.1 CIPFA requires all monies to be under the control of the responsible officer and for cash flow projections to be prepared on a regular and timely basis. Cashflow, 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 daily credit balance of less than £50k.

The current projection as at 31 January 2013 for 2012/13 year end is a cash balance of £50.6m. Cashflow forecasts will be updated quarterly in monitoring reports to cabinet.

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. The policy on credit cards can be found on the intranet on http://intranet/procurement_cards

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 issues in March 2010.

The council is also mindful of the requirements of the Bribery Act 2011 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 the appropriate training and knowledge in relation to these activities. Training is in-house on the job, via CIPFA seminars and training courses, via 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.

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 2012/13 can be found on the council's intranet.

12. End of year investment report

At the end of the financial year, the council will report on its investment activity as part of its Annual Treasury Report.

13. Appendices

13.1 Appendix 1- Interest Rate Forecast 2012/2016

Appendix 2A – Specified Investments

Appendix 2B – Non Specified Investments

Appendix 3 – Approved Countries for Investment

Appendix 4 – Treasury Management Scheme of Delegation

Appendix 5 – The Treasury Management Role of the S151 Officer

Appendix 6 – Reporting Requirements and Arrangements

Appendix 7 – Treasury Management Principles

Appendix 8 – Cash Flow Statement 2012/13 to 2015/16

14. Background Papers

- CIPFA Treasury Management in Public Services. Code of Practice and Cross –Sectional Guidance Notes 2011
- CIPFA Prudential Code for Capital Finance in Local Authorities 2011 Edition and 2012 updates.

APPENDIX 1 - Interest Rate Forecast 2012/2016

Sector's Interest Rate View														
	Now	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's Bank Rate View														
3 M onth IEBID	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
6 M onth IEBID	0.39%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.60%	0.70%	0.80%	1.10%	1.40%	1.70%
12 M onth IEBID	0.54%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.90%	1.00%	1.10%	1.30%	1.60%	1.90%
5YrFW IB Rate	0.88%	1.00%	1.00%	1.00%	1.00%	1.00%	1.10%	1.10%	1.20%	1.30%	1.30%	1.50%	1.80%	2.10%
10YrFW IB Rate	1.85%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
25YrFW IB Rate	2.87%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
50YrFW IB Rate	4.02%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
Bank Rate														
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5YrFW IB Rate														
Sector's View	1.85%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
UBS	1.85%	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	1.85%	1.55%	1.30%	1.30%	1.30%	1.30%	1.30%	1.50%	1.60%	-	-	-	-	-
10YrFW IB Rate														
Sector's View	2.87%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
UBS	2.87%	3.00%	3.10%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	-	-	-	-	-
Capital Economics	2.87%	2.55%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	-	-	-	-	-
25YrFW IB Rate														
Sector's View	4.02%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
UBS	4.02%	4.20%	4.30%	4.40%	4.50%	4.50%	4.50%	4.50%	4.50%	-	-	-	-	-
Capital Economics	4.02%	3.70%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	-	-	-	-	-
50YrFW IB Rate														
Sector's View	4.15%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
UBS	4.15%	4.30%	4.40%	4.50%	4.60%	4.60%	4.60%	4.60%	4.60%	-	-	-	-	-
Capital Economics	4.15%	4.00%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	-	-	-	-	-

Source – Sector Treasury Services

APPENDIX 2A – Specified Investments

Organisation/Instrument/Sovereign	Counter Party Minimum Credit Criteria										Other Data	Maximum Lending Period	Limit (Agg)
	FITCH			MOODY			STANDARDS & POORS		CDS DATA				
Term deposits – banks	Fitch L/T	Fitch S/T	Fitch Viability	Fitch Support	Moody L/T	Moody S/T	Moody FSR	S&P L/T	S&P S/T	In range	0 – 12 months	100%	
Term deposits – banks	AA	F1+	aa-	1	AAa2	P-1	C+	AA-	A-1+	In range	0 – 12 months	100%	
Term deposits – banks	A+	F1	A+	1	A2	P-1	C	A+	A-1	In range	0 – 6months	80%	
Term deposits –building societies	A+	F1	a+	1	A2	P-1	C	A+	A-1	In range	0-3 months if within limits	20%	
Term deposits – Nationalised and Part Nationalised Banks	A	F1	bb+	2	A1	P-1	C-	A	A-1	In range	0 - 12 months if within limits	80%	
Structured Deposits													
Term Deposits in Supranational	AAA	n/a	n/a	n/a	Aaa	n/a	a/a	AAA	n/a	n/a	0 – 48 months	80%	
		Fund Quality Rating						Principal Stability Fund Rating	Fund Credit Quality Rating	Fund Volatility Rating			
Money Market Funds	AAAmmf	Excellent			Aaa-mf			AAAa	AAAf	n/a	0 – 3 months	60%	
Term Deposits – UK Governments										n/a	0 – 12 months	100%	
Term Deposits – LA's with or without credit ratings										n/a	0 – 12 months	80%	
Debt Management Agency Deposit										n/a	0 – 12 months	100%	
UK Government Gilts										n/a	0 – 12 months	80%	
Gilt Funds and Bond Funds	AAA	n/a	n/a	n/a	Aaa	n/a	n/a	AAA	n/a	n/a	0 – 12 months	50%	
Corporate Bonds	AAA				Aaa			AAA		n/a	0 – 12 months	50%	

APPENDIX 2B - Non Specified Investments

Organisation/Instrument/Sovereign	Counter Party Minimum Credit Criteria										Other Data	Maximum Lending Period	Limit (Agg)
	FITCH				MOODY			STANDARDS & POORS		CDS DATA			
Term Deposits in Banks	Fitch L/T	Fitch S/T	Fitch Viability	Fitch Support	Moody L/T	Moody S/T	Moody FSR	S&P L/T	S&P S/T		In range	0 – 3 years	50%
Term Deposits in Supranationals	AAA	F1+	n/a	1	Aaa	P-1	-	AAA	A-1+		In range	0 – 3 years	50%
Collateralised Local Authority Deposits	AAA	n/a	n/a	n/a	Aaa	n/a	n/a	AAA	n/a		n/a	0 – 5 years	80%
Certificates of deposits issued by banks and building societies	AA	n/a	n/a	n/a	Aa3	n/a	n/a	AA-	n/a		In range	0 – 2 years	40%
Term Deposits – UK Governments	AAA				AAA						n/a	0 – 5 years	100%
Term Deposits – LA's with or without credit ratings	Assume AAA UK Government Sovereign rating Status				Assume AAA UK Government Sovereign rating Status			Assume AAA UK Government Sovereign rating Status			n/a	0 – 3 years	80%
Debt Management Agency Deposit	AAA				Aaa			AAA			n/a	0 – 5 years	80%
UK Government Gilts	AAA				Aaa			AAA	n/a		n/a	0 – 5 years	80%
Gilt Funds and Bond Funds	AAA	n/a	n/a	n/a	Aaa			AAA				0 – 5 years	30%
Commercial Paper issuance covered by a specific UK Government (explicit) Guarantee	AAA	n/a	n/a	n/a	Aaa	n/a	n/a	AAA				0 – 2 year	20%
Commercial Paper Other	AA	n/a	n/a	1	Aa3	n/a	n/a	AA-	n/a				

APPENDIX 2C – Special Investments – Local Authority Mortgage Scheme

Should the Council place funds under the local authority mortgage scheme this is classified as special investment rather than treasury management investments and is therefore outside of the specified /non specified categories.

APPENDIX 3

Approved countries for investments for use by the council's treasury team or countries in which the money markets the council invests in place money based on ratings as at 31 January 2013. It should however be noted that the countries on the council's approved list may change from time to time as Sovereign ratings change.

Sovereign Benchmark	Fitch Long Term Ratings	Moody's Long Term Ratings	S&P Long Term Ratings
Australia	AAA	Aaa	AAA
Canada	AAA	Aaa	AAA
Denmark	AAA	Aaa	AAA
Finland	AAA	Aaa	AAA
Germany	AAA	Aaa	AAA
Luxembourg	AAA	Aaa	AAA
Netherlands	AAA	Aaa	AAA
Norway	AAA	Aaa	AAA
Singapore	AAA	Aaa	AAA
Sweden	AAA	Aaa	AAA
Switzerland	AAA	Aaa	AAA
U.K	AAA	Aa1	AAA
France	AAA	Aa1	AA+
Hong Kong	AA+	Aa1	AAA
USA	AAA	Aaa	AA+
Abu Dhabi (U.A.E)	AA	Aa2	AA
Qatar	-	Aa2	AA
Belgium	AA	Aa3	AA
Saudi Arabia	AA-	Aa3	AA-

APPENDIX 4 Treasury Management Scheme of delegation

(i) Council (budget)

- receiving and reviewing reports on Treasury Management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet and General Purpose Committee

- approval of / amendments to the organisation's adopted clauses, Treasury Management policy statement and Treasury Management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Overview and Scrutiny Commission

- reviewing the Treasury Management policy and procedures and making recommendations to cabinet and General Purpose Committee.

APPENDIX 5 The 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 6 - Reporting Requirements and Arrangements

In line with best practice, cabinet is required to receive and review, as a minimum, three main reports each year, which incorporate a variety of Treasury Management policies, estimates and actuals. These reports are required to be adequately scrutinised before being recommended to the Council (budget) for approval. These reports are:

The Annual Treasury Management Strategy, Prudential and Treasury Indicators Report (This report) - covers:

- the capital financing plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A Mid Year Treasury Management Report – This will update councillors with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

LONDON BOROUGH OF MERTON TREASURY MANAGEMENT **PRINCIPLES 2013/14**

TMP1 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 whom 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, Moodys and Standard & Poors.
- 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 paper work. Further guidance can be found on the Council's intranet.

1.3 Interest Rate Risk Management

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'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 from forward period's dependant upon market conditions. When forward dealing is more than a 364 day period forward then the approval of the Chief Financial Officer is required.

- callable deposits

The council will 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 LOBOS (borrowing under lender's option / borrower's option)

Use of LOBOs is considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days 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 levels.

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 so raised are managed, with a view to obtaining offer terms for 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.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this 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 any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- 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.

In considering the affordability of its capital plans, the council will consider all the resources currently available / estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this three year period.

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. Lending shall only be made to counterparties on the Council's Approved Lending list. The council's monitoring officer is the Assistant Director Corporate Governance, 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 then 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.

Authority

- The Corporate Services Scheme of Delegation sets out the delegation of duties to officers. While 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 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

2.1.1 Evaluation and Review of Treasury Management Decisions

The council has a number of approaches to evaluating treasury management decisions:-

- a. periodic reviews carried out by the treasury management team
- b. annual review after the end of the year as reported to full Council
- c. monitoring reports to cabinet
- d. strategic, scrutiny and efficiency value for money reviews

Periodic reviews during the financial year

The Director of Corporate Services will as and when required may periodically hold treasury management review meetings with the treasury manager to review actual activity against the Treasury Management Strategy Statement and cash flow 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.
- Cash flow forecast against the actual.

2.1.2 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. This report reviews the performance of the debt and investment portfolios. This report contains the following: -

- total debt and investments at the beginning and close of the financial year and average interest rates
- borrowing strategy for the year compared to actual strategy
- investment strategy for the year compared to actual strategy
- explanations for variance between original strategies and any actual
- debt rescheduling done in the year
- actual borrowing and investment rates available through the year
- comparison of return on investments to the investment benchmark
- compliance with Prudential and Treasury Indicators

2.1.3 Comparative reviews

Each year or on a quarterly basis, comparative reviews are undertaken to see how the performance of the council on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). 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
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, this takes account both prices and quality of services. No firm of brokers will be given undue preference.

2.3.2 Consultants / advisers services

The council's treasury management adviser is Sector treasury services.

TMP 3 DECISION-MAKING AND ANALYSIS

3.1 Funding, Borrowing, Lending, and New Instruments/Techniques:

3.1.1 Records to be kept

The Treasury team uses Logotech treasury systems a computerised system in which all investment, loan transactions and cash flow are recorded. The following records will be retained -

- Daily cash balance forecasts for the day and previous day
- Market rates obtained by telephone from brokers
- 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
- Fund manager(s) valuation statements
- Banking and other contract documents which the treasury team has responsibility for.

3.1.2 Processes to be pursued

- . Cash flow 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 every treasury management decision 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.
- 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
- 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;
- 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;
- the 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 – lenders 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)	●	●
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 Services 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 policies, practices and activities
- approval of annual strategy.

(ii) Cabinet

- approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- 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 is 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	Treasury manager Fund officer
	• Sign off of reconciliations	
Accounting Entry	• Processing of accounting entry into FMIS (bank reconciliation team)	Treasury Manager Bank reconciliation team
Authorisation / Payment of Deal	• Inputting CHAPS on Lloyds link	Treasury Manager/Fund officer
	• Approval of CHAPS on Lloyds link and CHAPS form authorisation	Authorisers per bank mandate

Treasury Management Organisation Chart

Director of Corporate Services & S151 Officer



Assistant Director Resources



Head of Accountancy



Treasury & Insurance Manager



Fund Officer

5.4 Statement of the treasury management duties/responsibilities of each treasury post

5.4.1. The 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 his power to borrow and invest to members of her staff. The Treasury & Insurance Manager, the fund officer. Only treasury management team staff must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave / sickness. All treasury transactions must be authorised by the treasury manager or the S151 officer.
- 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.

5.4.2. Treasury & Insurance 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
- h) identifying and recommending
- i) opportunities for improved practices

5.4.3. The Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the responsible officer reports regularly to the full Council / cabinet or General Purpose Committee on treasury policy, activity and performance.

5.4.4. The 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 practices 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.
- c) Giving advice to the responsible officer when advice is sought.

5.4.5. Internal Audit

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

5.2 Absence Cover Arrangements

Cover for treasury management staff will be to specific delegated staff.

5.3 Dealing Limits

No investment deal must exceed £5million per transaction

No borrowing deal at any point in time must exceed £10 million except when 2 loans are being repaid to the same counterparty.

5.4 List of Approved Brokers

A list of approved brokers is maintained within the Treasury team and a record of all transactions recorded against them can be obtained from Logotech.

Policy on Brokers' Services

It is this council's policy to rotate business between brokers.

5.5 Policy on Taping of Conversations

The council currently does not tape conversations **but** ensures that confirmations are received before putting the deal on Logotech or Lloyds.

5.6 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
- Fixed period account e.g. 15 day fixed period account

5.7 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/forms

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.

5.8 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.

5.9 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 programme of reporting

- a) Annual reporting requirements before the start of the year: -
 - a. review of the organisation's approved clauses, treasury management policy statement and practices
 - b. strategy report on proposed treasury management activities for the year comprising of the treasury management strategy statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement
- b) Mid-year review report and monthly management report if required
- c) Annual review report after the end of the year

6.2 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) the MRP strategy
- 4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives.

6.3 The 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

6.4 The 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.

6.5 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

6.6 Mid year review

The council will review its treasury management activities and strategy on a six monthly process. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management indicators for local authorities.

6.7 Annual Review Report on Treasury Management Activity

An annual report will be presented to the Cabinet and then to the full Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following: -

- a) transactions executed and their revenue (current) effects
- b) report on risk implications of decisions taken and transactions executed
- c) compliance report on agreed policies and practices, and on statutory/regulatory requirements
- d) performance report
- e) report on compliance with CIPFA Code recommendations
- f) monitoring of treasury management indicators

6.8 Management Information Reports

Management information reports will be prepared every month by the treasury manager and will be presented to the Director of Corporate Services.

These reports will contain the following information: -

- a) a summary of transactions executed, fees paid;
- b) measurements of performance including effect on loan charges/investment income and variance from performance;
- c) degree of compliance with original strategy and explanation of variances.
- d) any non compliance with Prudential limits or other treasury management limits.

TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 Statutory / Regulatory Requirements

The accounts are drawn up in accordance with IFRS. The council has also has also 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 this council's treasury management activities.

7.2 Estimate investment income and payables budgets / Accounts / Prudential and Treasury Indicators

The treasury manager will prepare a three year medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The treasury manager will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

TMP 8 Cash and Cash Flow Management

8.1 Arrangements for Preparing Cash Flow

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow 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 the day's bank statement into the folder below. Estimates on Logotech cash flow is updated with actuals from bank statement.

H:\TECHACCY\TREASURY\Daily\Bank Statement Export

TMP 9 MONEY LAUNDERING

9.1 Proceeds of Crime Act 2002

See council's website and intranet for Money laundering process
http://intranet/anti_money_laundering_policy.pdf

9.2 The Terrorism Act 2000

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

The council's money laundering officer is the monitoring officer. See council's website and intranet for details http://intranet/anti_money_laundering_policy.pdf

treasury management staff are required to familiarise themselves with all money laundering regulations.

9.5 Procedures for Establishing Identity / Authenticity Of Lenders

It is not a requirement under 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 FSA website on www.fsa.gov.uk.

9.6 Methodologies for Identifying Deposit Takers

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 FSA register can be accessed through their website on www.fsa.gov.uk).

All transactions will be carried out by CHAPS 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.

Additionally, training may also be provided on the job and it will be the responsibility of the treasury manager to ensure that all staff under her authority receives the level of training appropriate to their duties. This will also apply to that staffs that from time to time covers for absences from the treasury management team.

10.1 Details of Approved Training Courses

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

10.2 Records of Training Received by Treasury Staff

Staff will keep records on their training .

10.6 Member training records

Member training requirement will be accessed from time to time and adequately provided.

TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, 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 this 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 TSB Bank. The bank is an authorised banking institution authorised to undertake banking activities by the FSA
- 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 and market data in addition to borrowing data in addition to interest rate forecasts, annual treasury management strategy templates. From time to time the council may receive advice from its treasury advisers. , timing for borrowing and lending, debt rescheduling, use of various The performance of consultants will be reviewed by the treasury manager to check whether performance has met expectations.

11.1.4 Credit Rating Information

The council receives notifications of credit ratings from Sector treasury services

11.2 Procedures and Frequency for Tendering Services

See TMP2

TMP 12 CORPORATE GOVERNANCE

12.1.1 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. It 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.
- c. The following documents are available for public inspection: -

- Treasury Management Policy Statement
- Treasury Management Strategy Statement
- Annual Investment Strategy
- Minimum Revenue provision policy statement
- Annual Treasury Review Report
- Treasury Management monitoring reports (e.g. half yearly, quarterly)
- Minutes of Full Council / cabinet meetings

2012/13 CASH FLOW

Appendix 8

REFDESC	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Total 2012-13
TOTAL OTHER EXPENDITURE	(1,712,083)	(869,474)	(2,541,957)	(4,184,753)	(8,032,279)	(815,606)	(2,209,808)	(3,329,318)	(965,515)	(2,617,835)	(7,889,148)	(1,663,283)	(36,831,058)
CAPITAL EXPENDITURE	(1,425,938)	(2,823,773)	(2,457,496)	(3,262,489)	(5,066,291)	(4,259,417)	(5,924,222)	(1,609,518)	(2,606,965)	(1,353,674)	(6,425,099)	(6,425,099)	(43,640,000)
DAILY DEBITS FROM CHEQU	(1,537,511)	(670,003)	(541,328)	(857,296)	(653,405)	(738,735)	(803,893)	(740,926)	(541,698)	(666,965)	(834,636)	(1,400,000)	(9,986,394)
BAGS RUN FOR INVOICES	(29,509,382)	(21,108,258)	(21,285,513)	(25,710,483)	(22,664,311)	(34,218,238)	(21,590,703)	(24,177,649)	(22,032,165)	(30,285,914)	(16,807,415)	(31,274,901)	(300,664,932)
RATE SUPPORT GRANT	(795,121)	(1,745,914)	(1,745,914)	(1,745,913)	(1,745,913)	(1,745,914)	(1,745,914)	(1,745,914)	(1,745,912)	(1,745,914)	(7,724)	(928,234)	(17,444,301)
MID MONTH PAYROLL	(3,661,687)	(3,715,032)	(3,711,613)	(3,620,843)	(4,017,973)	(3,880,791)	(3,549,476)	(3,545,685)	(3,584,002)	(3,764,193)	(3,489,128)	(3,900,000)	(44,440,428)
END MTH PAYROLL MAIN	(1,525,901)	(1,589,502)	(1,546,095)	(1,692,079)	(1,637,278)	(1,682,202)	(1,709,167)	(1,766,255)	(1,811,684)	(1,850,607)	(1,470,000)	(1,470,000)	(19,760,771)
END MONTHPAYROLL 2	(223,508)	(227,866)	(226,259)	(236,304)	(223,677)	(220,068)	(252,827)	(229,018)	(228,387)	(234,614)	(240,000)	(240,000)	(2,782,527)
TEACHERS PAYROLL	(2,514,517)	(2,504,645)	(2,509,253)	(2,500,515)	(2,542,666)	(2,599,850)	(2,606,997)	(2,627,129)	(2,624,063)	(2,571,375)	(2,640,000)	(2,640,000)	(30,881,030)
TEACHERS PENSION	(909,914)	(878,846)	(814,215)	(808,296)	(819,774)	(806,824)	(898,738)	(850,883)	(833,261)	(824,421)	(834,679)	(890,000)	(10,169,851)
HOUSING BENEFIT	(5,126,616)	(5,308,570)	(3,766,516)	(8,477,941)	(5,247,134)	(5,402,465)	(4,012,863)	(5,289,161)	(6,720,493)	(3,882,537)	(3,826,486)	(4,585,000)	(61,645,780)
H BENEFIT RUN FOR MPH	(1,436,886)	(1,550,566)	(2,837,393)	(3,065,252)	(1,548,141)	(1,457,151)	(2,993,306)	(1,583,803)	(1,543,668)	(2,248,805)	(2,826,675)	(1,340,000)	(24,431,645)
INLAND REVENUE	(3,520,708)	(3,362,801)	(3,348,134)	(3,141,955)	(3,344,045)	(3,448,261)	(3,393,898)	(3,316,395)	(3,392,602)	(3,412,313)	(3,500,000)	(3,500,000)	(40,681,094)
PAYROLL	(1,341,104)	(1,366,352)	(1,382,986)	(1,370,804)	(1,374,816)	(1,376,516)	(1,391,042)	(1,368,451)	(1,381,274)	(1,379,049)	.	(1,340,000)	(15,072,395)
ESTIMATED TOTAL EXPENDITURE	(55,230,876)	(47,721,603)	(48,714,671)	(60,674,904)	(68,917,702)	(62,672,038)	(53,082,854)	(52,180,105)	(50,011,728)	(56,838,215)	(50,790,990)	(61,596,517)	(658,432,204)
TOTAL OTHER CREDITS	20,281,764	13,562,794	12,044,526	11,752,441	12,051,118	10,403,025	13,914,418	12,502,311	9,692,580	16,208,749	16,111,494	11,283,968	159,789,188
TOTAL GRANTS	3,671,868	4,976,087	11,727,756	3,682,809	4,794,722	4,704,395	2,614,159	4,696,440	5,009,209	3,405,619	2,872,341	2,692,107	54,847,502
C/TAX REC'D VIA ALL P	1,274,576	1,064,860	918,025	1,010,504	944,591	930,632	1,023,221	943,773	916,098	887,386	387,316	510,000	10,810,982
COUNCIL TAX D/D	6,081,845	6,149,276	6,171,923	6,195,049	6,238,425	6,243,751	6,239,871	6,275,596	6,283,492	6,374,264	1,221,211	288,000	63,732,703
BUSINESS RATES D/D	4,119,081	4,070,364	4,220,010	4,093,066	4,072,808	4,316,995	4,313,755	4,449,053	4,313,596	4,344,477	1,446,411	190,000	43,949,615
DEPT OF WORKS AND PENS.	8,244,041	8,378,120	8,582,213	8,511,045	8,509,239	8,504,208	6,288,127	8,187,553	8,187,553	8,242,199	8,187,553	8,000,000	97,821,851
DSG	14,817,154	9,860,560	9,860,560	11,723,560	10,274,560	9,926,680	10,221,040	10,221,040	10,221,040	10,221,040	10,210,520	10,200,000	127,757,754
SCHOOLS PAYROLL PAYMENT	7,287,224	390,970	7,012,939	7,014,976	14,038,719	6,894,131	7,245,143	7,381,457	7,232,806	7,279,336	7,051,366	7,000,000	85,829,095
VAT REIMBURSEMENT	326,904	5,474,130	1,282,969	1,980,763	1,890,636	1,891,798	2,295,593	1,624,404	1,418,770	1,715,291	1,500,644	1,000,000	22,401,902
ESTIMATED TOTAL INCOME	66,104,448	53,927,161	61,820,921	55,964,212	62,814,817	53,815,615	54,155,327	56,281,627	53,275,144	58,678,361	48,988,866	41,114,074	666,940,593
ESTIMATED NET INCOME/EXPENDITURE	10,873,572	6,205,558	13,106,250	(4,710,692)	3,897,115	(8,856,423)	1,072,472	4,101,523	3,263,416	1,840,146	(1,802,104)	(20,482,443)	8,508,389
Interest on Deposits	138,990	73,489	71,011	20,706	163,343	17,545	38,385	24,685	64,097	135,701	81,584	135,463	965,000
Interest on Long Term Debt	(1,218,630)	(76,875)	(115,288)	(941,347)	0	(993,474)	(1,222,175)	(78,875)	(114,904)	(951,139)	0	(981,234)	(6,693,941)
Interest on Short Term Debt	(2,003)	(966)	(1,218)	(2,355)	(2,500)	(3,017)	(3,181)	(2,822)	(3,162)	(3,821)	(3,821)	(3,208)	(32,164)
ESTIMATED TOTAL INTEREST PAID/RECEIVED	(1,081,643)	(4,352)	(45,495)	(922,997)	160,754	(978,947)	(1,186,971)	(57,011)	(63,969)	(819,259)	77,763	(848,979)	(5,761,106)
Premium on Prem. Repayment of Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED TOTAL PREMIUM/DISCOUNT	0	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED CASH BALANCE	58,791,929	65,201,206	77,780,755	72,066,312	76,317,869	66,064,630	66,115,501	70,754,511	73,309,446	74,530,887	72,275,659	50,668,578	2,747,283
Operating Balance Investments	61,000,000	67,700,000	82,700,000	77,260,000	83,150,000	78,230,000	80,960,000	80,100,000	81,510,000	82,000,000	80,000,000	58,500,000	
Outstanding Temporary Borrowing	(2,000,000)	(3,000,000)	(5,000,000)	(5,000,000)	(7,250,000)	(12,000,000)	(14,250,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	
Long Term Debt	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	
Add Estimated New L/T Borrowing													
Less Debt Repaid in the Year													
ESTIMATED CLOSING LONG TERM DEBT	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	
LIABILITY BENCHMARK	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M

2013/14 CASH FLOW

REFDESC	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total 2013/14
TOTAL OTHER EXPENDITURE	(1,901,580)	(1,851,931)	(1,639,256)	(1,729,843)	(1,866,588)	(1,656,383)	(7,074,588)	(1,974,879)	(1,821,568)	(3,366,409)	(2,292,383)	(652,383)	(27,847,812)
CAPITAL EXPENDITURE	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(43,785,000)
DAILY DEBITS FROM CHEQU	(1,356,000)	(766,000)	(670,000)	(958,000)	(726,000)	(746,000)	(818,000)	(946,000)	(720,000)	(706,000)	(920,000)	(962,000)	(10,294,000)
BACS RUN FOR INVOICES	(29,382,740)	(22,682,740)	(20,751,250)	(27,482,740)	(26,082,740)	(30,682,740)	(35,282,740)	(24,282,740)	(4,282,663)	(4,282,663)	(25,382,740)	(36,482,740)	(332,629,900)
RATE SUPPORT GRANT	(3,262,981)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(3,262,981)	0	(40,787,268)	
MID MONTH PAYROLL	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(45,600,000)
END MTH PAYROLL MAIN	(1,520,000)	(1,520,000)	(1,520,000)	(1,620,000)	(1,620,000)	(1,720,000)	(1,720,000)	(1,720,000)	(1,720,000)	(1,870,000)	(1,870,000)	(1,470,000)	(19,890,000)
END MONTHPAYROLL 2	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(2,880,000)
TEACHERS PAYROLL	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(31,200,000)
TEACHERS PENSION	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(10,680,000)
HOUSING BENEFIT	(5,100,000)	(5,300,000)	(3,700,000)	(8,410,000)	(5,105,000)	(5,400,000)	(4,900,000)	(4,915,000)	(6,400,000)	(4,110,000)	(4,100,000)	(4,505,000)	(62,045,000)
H BENEFIT RUN FOR MPH	(1,412,000)	(1,584,000)	(2,840,000)	(3,046,000)	(1,542,000)	(1,442,000)	(2,946,000)	(1,542,000)	(1,740,000)	(2,144,000)	(2,740,000)	(1,442,000)	(24,420,000)
INLAND REVENUE	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(42,000,000)
PAYROLL PENSIONERS (GF)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(2,160,000)
ESTIMATED TOTAL EXPENDITURE	(58,794,051)	(52,846,084)	(50,261,920)	(62,387,996)	(56,103,741)	(60,788,536)	(71,882,741)	(54,522,033)	(52,994,251)	(63,000,881)	(52,163,873)	(60,472,873)	(696,218,980)
TOTAL OTHER CREDITS	16,789,371	11,570,571	11,698,411	11,662,391	10,281,371	10,021,895	12,906,891	11,901,771	10,698,111	9,972,631	8,520,911	8,413,971	134,438,292
TOTAL GRANTS	33,934,885	5,241,177	15,653,028	4,357,508	5,307,400	8,935,585	3,665,773	5,578,119	8,320,950	3,194,769	17,853,794	8,178,371	120,241,354
C/TAX REC'D VIA ALL P	1,255,000	975,000	880,000	975,000	800,000	855,000	1,023,000	900,000	850,000	920,000	410,000	545,000	10,388,000
COUNCIL TAX/D/D	6,100,000	6,200,000	6,200,000	6,200,000	6,200,000	6,204,000	6,200,000	6,200,000	6,200,000	6,300,000	1,200,000	258,000	63,462,000
BUSINESS RATES/D/D	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	1,100,000	150,000	44,250,000
DEPT OF WORKS AND PENSI	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	81,000,000
DSG	15,033,406	9,983,406	9,983,406	11,283,407	10,383,406	10,483,406	10,583,406	10,583,406	10,583,406	10,583,406	10,583,406	10,583,406	130,650,876
SCHOOLS PAYROLL PAYMENT	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,200,000	7,200,000	7,000,000	7,000,000	84,400,000
VAT REIMBURSEMENT	3,000,000	2,800,000	1,750,000	1,750,000	1,750,000	1,750,000	1,800,000	1,750,000	1,400,000	1,750,000	1,500,000	1,750,000	22,750,000
ESTIMATED TOTAL INCOME	94,162,662	54,820,153	64,214,844	54,278,305	52,772,176	56,299,886	54,249,069	54,963,295	56,302,466	50,970,805	54,918,111	43,628,747	691,580,522
NET INCOME/ EXPENDITURE	35,368,611	1,974,069	13,952,925	(8,109,691)	(3,331,565)	(4,488,650)	(17,633,672)	441,263	3,308,215	(12,030,075)	2,754,237	(16,844,126)	(4,638,458)
Interest on Deposits	70,000	20,000	18,438	30,000	43,935	27,378	64,183	50,000	21,018	19,849	50,000	200,000	614,801
Interest on Long Term Debt	(1,218,630)	(76,875)	(115,288)	(941,347)	0	(993,474)	(1,222,175)	(78,875)	(114,904)	(951,139)	0	(981,234)	(6,693,941)
Interest on Short Term Debt	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
ESTIMATED TOTAL INTEREST PAID/RECEIVED	(1,149,630)	(57,875)	(97,850)	(912,347)	42,935	(967,096)	(1,156,992)	(29,875)	(94,886)	(932,290)	49,000	(782,234)	(6,091,140)
Premium on Prem. Repayment of Debt													
ESTIMATED TOTAL PREMIUM/DISCOUNT													
ESTIMATED CASH BALANCE	84,718,981	86,635,176	100,490,250	91,468,212	88,179,582	82,723,836	63,931,172	64,342,560	67,555,889	54,593,524	57,396,761	39,770,402	29,040,803
Opening Balance Investments													
Outstanding Temporary Borrowing													
Long Term Debt	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)
Add Estimated New L/T Borrowing													
Less Debt Repaid in the Year													
ESTIMATED CLOSING LONG TERM DEBT	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)
LABILITY BENCHMARK	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M

2014/15 CASH FLOW

Appendix 8

REFDESC	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total 2014/15
TOTAL OTHER EXPENDITURE	(1,843,734)	(1,785,290)	(1,683,098)	(1,769,784)	(1,879,288)	(1,653,288)	(8,072,888)	(966,974)	(1,826,288)	(2,359,109)	(2,288,033)	(1,649,288)	(27,776,912)
CAPITAL EXPENDITURE	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(39,631,000)
DAILY DEBITS FROM CHEQU	(1,356,000)	(766,000)	(670,000)	(958,000)	(726,000)	(746,000)	(818,000)	(946,000)	(720,000)	(706,000)	(920,000)	(962,000)	(10,294,000)
BACS RUN FOR INVOICES	(29,637,240)	(22,937,240)	(21,005,750)	(27,737,240)	(26,337,240)	(30,837,240)	(35,437,240)	(24,437,240)	(21,605,750)	(32,837,240)	(25,037,240)	(36,537,240)	(334,663,900)
RATE SUPPORT GRANT	(3,282,981)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(3,282,981)	0	(3,282,981)	(40,787,268)
MID MONTH PAYROLL	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(45,600,000)
END MTH PAYROLL MAIN	(1,520,000)	(1,520,000)	(1,520,000)	(1,620,000)	(1,620,000)	(1,720,000)	(1,720,000)	(1,720,000)	(1,720,000)	(1,870,000)	(1,870,000)	(1,470,000)	(19,890,000)
END MONTHPAYROLL 2	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(2,880,000)
TEACHERS PAYROLL	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(31,200,000)
TEACHERS PENSION	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(10,680,000)
HOUSING BENEFIT	(5,100,000)	(5,300,000)	(3,700,000)	(8,410,000)	(5,105,000)	(5,400,000)	(4,900,000)	(4,915,000)	(6,400,000)	(4,110,000)	(4,100,000)	(4,605,000)	(62,045,000)
H BENEFIT RUN FOR MPH	(1,412,000)	(1,584,000)	(2,840,000)	(3,046,000)	(1,542,000)	(1,442,000)	(2,946,000)	(1,542,000)	(1,740,000)	(2,144,000)	(2,740,000)	(1,442,000)	(24,420,000)
INLAND REVENUE	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(42,000,000)
PENSIONERS PAYROLL G F ELEMENT	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(2,220,000)
ESTIMATED TOTAL EXPENDITURE	(58,641,205)	(52,684,443)	(50,210,761)	(62,332,937)	(66,001,441)	(60,590,441)	(72,686,841)	(53,319,128)	(52,803,951)	(61,798,581)	(51,464,573)	(61,474,778)	(684,008,080)
TOTAL OTHER CREDITS	14,878,491	11,371,821	11,721,411	11,303,071	10,981,921	10,022,895	12,886,541	11,612,321	10,180,111	10,045,081	9,028,951	8,802,271	132,844,882
TOTAL GRANTS	28,028,226	4,136,347	14,865,947	3,395,347	4,239,847	7,254,347	3,615,813	4,249,847	7,465,347	2,268,347	14,421,429	6,776,317	100,718,163
C/TAX REC'D VIA ALL P	1,105,000	900,000	905,000	975,000	840,000	880,000	875,000	850,000	875,000	895,000	420,000	560,000	10,080,000
COUNCIL TAX/D/D	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	63,458,000
BUSINESS RATES/D/D	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,200,000	4,385,000	43,850,000
DEPT OF WORKS AND PENSI	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,000,000
DSG	15,200,000	10,200,000	10,200,000	10,200,000	10,600,000	10,600,000	10,600,000	10,600,000	10,600,000	10,600,000	10,600,000	10,600,000	130,600,000
SCHOOLS PAYROLL PAYMENT	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,000,000
VAT REIMBURSEMENT	3,000,000	2,800,000	1,750,000	1,750,000	1,750,000	1,750,000	1,800,000	1,750,000	1,400,000	1,750,000	1,500,000	1,750,000	22,750,000
ESTIMATED TOTAL INCOME	86,612,717	53,808,168	63,842,358	62,023,418	62,811,768	55,007,242	54,287,354	53,582,168	55,020,458	50,058,428	52,370,380	42,896,588	672,301,045
ESTIMATED NET INCOME/EXPENDITURE	27,971,512	1,123,725	13,631,597	(10,309,519)	(3,189,674)	(5,583,199)	(18,399,488)	243,040	2,216,506	(11,740,153)	905,807	(18,578,190)	(21,707,036)
Interest on Deposits	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
Interest on Long Term Debt	(1,218,630)	(76,875)	(115,288)	(941,347)	0	(993,474)	(1,222,175)	(78,875)	(1,144,904)	(951,139)	0	(981,234)	(6,693,941)
Interest on Short Term Debt	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
ESTIMATED TOTAL INTEREST PAID/RECEIVED	(1,169,630)	(27,875)	(66,288)	(892,347)	49,000	(944,474)	(1,173,175)	(29,875)	(65,904)	(902,139)	49,000	(932,234)	(6,105,941)
Premium on Prem. Repayment of Debt													
ESTIMATED TOTAL PREMIUM/DISCOUNT													
ESTIMATED CASH BALANCE	55,842,685	56,938,535	70,503,844	59,301,978	56,161,304	49,633,631	30,061,969	30,275,134	32,425,736	19,783,444	20,738,251	1,227,827	
Opening Balance Investments													
Outstanding Temporary Borrowing													
Long Term Debt	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	116,976,258
Add Estimated New L/T Borrowing													
Less Debt Repaid in the Year													
ESTIMATED CLOSING LONG TERM DEBT	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	116,976,258

Section B

Other Key Resources

B) WORKFORCE PLANNING AND STRATEGY

The five strategic priorities for workforce strategy and planning are:

- **Organisational development - build a resilient organisation, which includes an appropriately structured, highly skilled and resilient workforce.**
- **Workforce development – To ensure that the workforce has the skills and abilities to deliver the transformation agenda.**
- **Workforce planning - to build a workforce that is fit for purpose within budget**
Skills development - With partners, developing employees' skills and knowledge in an innovative, high performance, multi-agency context.
- **Recruitment and selection – Modernising recruitment to improve the quality, speed, accuracy and cost of recruitment and selection for the Council** to: recruit and retain the right workforce; address key future occupational skills shortages; promote jobs and careers; identify, develop and motivate staff talent and address diversity.
- **Pay and reward - Implement effective approaches to pay and reward schemes to deliver high performance, while controlling employment costs**
Pay and rewards – Implementing effective approaches to reward staff, while controlling employment costs to reflect budget and efficiency requirements, as well as new ways of working and innovative working patterns. Encouraging a total reward approach to high performance.

The service plans will identify key workstreams for the development and transformation of the workforce, which will be mapped against the five strategic priorities during the review, to form the basis for the workforce strategy action plan for 2013 - 17.

The Workforce Development Strategy and Plan will be progressed, consulted and agreed with the departmental workforce development leads. The final strategy and plan will be presented to Cabinet.

B) PROCUREMENT PLAN

OUR APPROACH

During 2013 the Commercial Services Team will continue the work which has been done to build on the working relationships with departments and to establish an effective working partnership to deliver savings, improve services in response to the unprecedented financial challenges the public sector faces and to mitigate commercial risk to the Authority.

In Children Schools and Families the team will continue to support commissioners throughout the year for example on the transformation of Youth Services, whilst also providing support, advice and guidance on potential service and delivery models and other commercial aspects.

In Adult Social Care, work continues on the procurement of domiciliary care services. Strategic advice, guidance and support on inflation management and benchmarking will continue to be provided, as well as support on the use of the e-tendering system. Other important tender exercises which are underway in the wider department will continue to be supported. We will also support Health and other colleagues by providing strategic commercial advice as required.

During 2013 the services around transportation will be reviewed and tender exercises will be undertaken where appropriate to deliver savings and improve services. This will be carried out using the e-tendering system and the Procurement Board will retain oversight of the work.

For Corporate Services Department, among other things, the team will support the tendering of the Agency contract and the Civic Centre Window Replacement contract.

During the year, further improvements to procurement, governance and control will be achieved working in partnership with the legal team and the Procurement Board. The Operational Procurement Groups, the operating arms of the Procurement Board are managing commercial risk effectively, jointly with departments.

Work will continue with the departments to plan training and development for Merton staff undertaking procurement activity. To complement the workshops that were delivered previously, a further round of focused workshops and drop in sessions will be delivered to cover topical issues such as social value, contract management and Contract Standing Orders.

Merton's new e-tendering system is now rolled out and continues to be adopted by departments. The system allows staff to conduct RFQ's (Requests for Quotes) and tenders online, much more quickly than before. The Contracts Register has now been made available online via the E-tendering system and is accessible by the public and it is hoped in this way will reduce the time spend on FOI requests.

In the South West London region Merton continues to work with neighbouring boroughs to seek out further opportunities for joint and collaborative procurement.

Relationships between the Commercial Services Team and our partners, including MVSC are being built upon. Merton's commitment to the voluntary and community sector and to the Compact has been reaffirmed in the new Compact with continued emphasis on the way in which Merton carries out commissioning and procurement activity.

CONTRACT ACTIVITY

Major contract tender activity will continue to be co-ordinated by the Commercial Services Team with the departments and key tender activity planned for the year includes:

Service
Agency Contract
Customer Contact
Domiciliary Care Services
Youth Transformation
School Catering Services
Vehicle Maintenance
Civic Centre Windows

The Procurement Board is at present developing a Strategic Procurement Strategy and also a work plan which will contain the specific priorities and order of work. This activity is due to complete by summer 2013.

Strategic Focus

Area of Strategic Focus	April	May	June	July	Aug	Sep	Oct	Nov	a	Jan	Feb	Marc
1. Improving Leadership & Governance.												
Build on existing governance processes - embed the implementation of Procurement Board Gateways, OPG's and good practice. Agree MOUs with Departments												
Deliver Savings - For Direct Spend												
Continue analysis of spend data to identify and capture savings												
Deliver procurement / supply related aspects of 2012/16 Business Plan												
Deliver procurement / supply related aspects of previous & future Service Reviews												
Council Procurement Strategy												
Deliver Savings - For Indirect Spend												
In CS support improved approach to commercial activity by promoting a Category Management approach to Indirect Spend areas and put in place corporate contracts.												
Benchmarking quality /price with other boroughs and public sector bodies												
2. Developing People & Improving Skills												
Work with Departments to embed proficiency in the use of the e-tendering facility												
In conjunction with HR and the Departments, undertake a review of procurement/commercial skills in the organisation and plan a Workshop programme based on need												
Deliver a programme of Workshops to meet the identified L&D needs												
3. Improving Processes & Systems												
Focus on Procurement Processes - communicate and review procurement gateway processes & improve documentation on intranet including Procurement Toolkit, templates, guidance documents & general intranet pages to support staff. Proactive approach to changes (actual and planned) in legislation and case law												
Embed use of Contract Register across council and upload on the external portal												
Build upon use of E-tendering system for tenders and contract management processes												
Employ greater use of E-auctions where appropriate to deliver savings												
Work with Legal to produce and embed standard terms and conditions												

B) INFORMATION TECHNOLOGY STRATEGY

1. The strategy

- 1.1 This strategy is designed around six aims which are supported by key objectives. The strategy will influence IT components (covering customer facing technologies, business governance support, corporate and departmental systems, infrastructure and IT governance). The strategy is linked to the layers in the target operating model (TOM).
1. Services enabled by IT must be designed around the citizen, not the provider, and delivered through modern, co-ordinated delivery channels. This will improve the customer experience, achieve better policy outcomes, and improve efficiency by leveraging delivery capacity, streamlining processes and reducing paperwork, duplication and routine processing.
 2. Merton must move to a shared services culture – between the front-office and back-office, in information and in infrastructure, including partners. This will release efficiencies by standardisation, simplification and sharing.
 3. There must be broadening and deepening of Merton's professionalism in terms of the planning, delivery, management, skills and governance of IT enabled change. This will result in more successful outcomes, fewer costly delivery failures, and increased confidence by citizens and councillors in the delivery of change through effective use of IT.
 4. There must be a systematic focus on innovation to exploit opportunities not only of installed technology, but also new and emerging products. This will lead to more effective introduction of newer technologies and enable faster business change.
 5. There must be a focus on processes and outcomes that are underpinned by appropriate technology and a move away from tactical solutions. This will assist in the deployment of end to end solutions that overcome departmental boundaries and focus on deliverables.
 6. There must be effective management of ICT to support the delivery of services to meet the other five strategic aims.

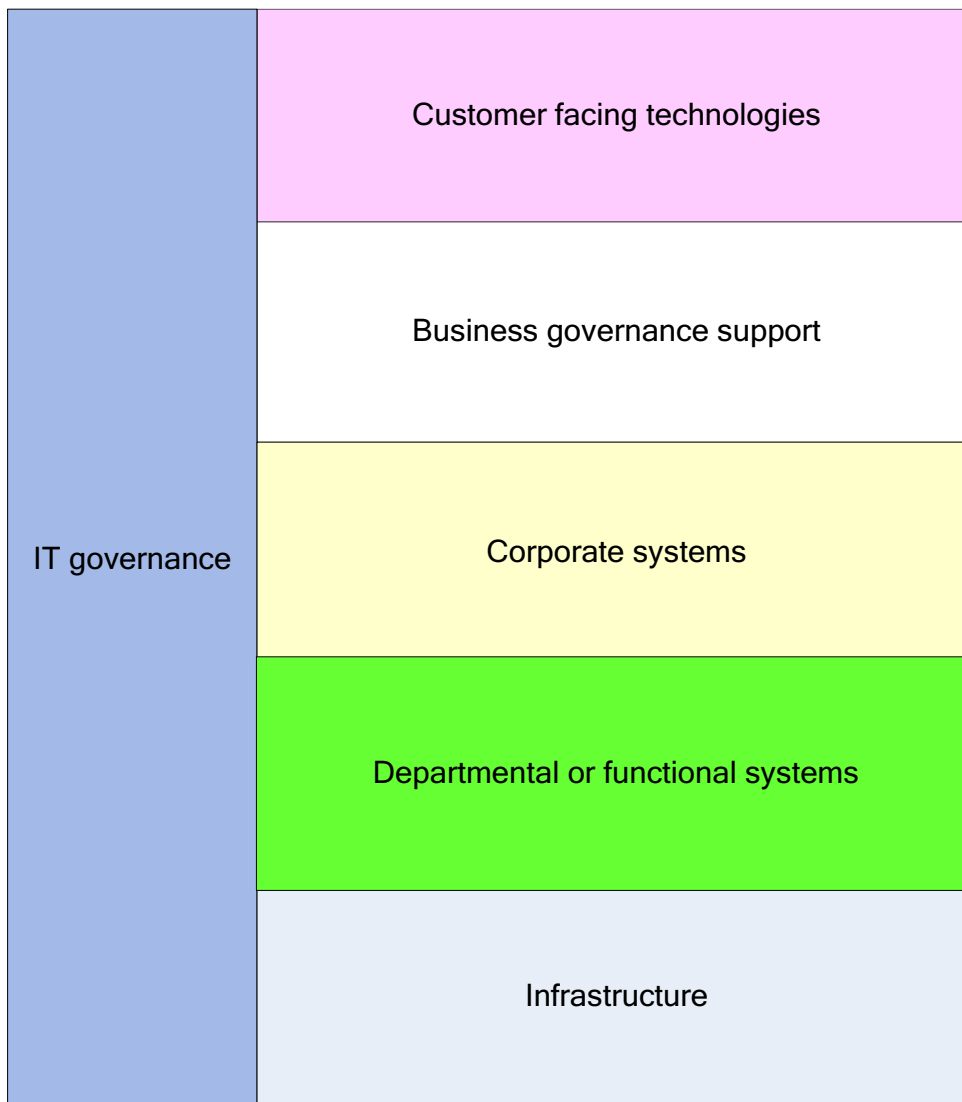
2. Design principles

2.1 In order to deliver the strategic aims and objectives, the following design principles will be deployed:

Design principles
Systems supporting services will be designed with customers in mind. They will be delivered via a customer interface with agreed standards. Regardless of the access channel chosen by the customer, they will get the same experience with consistent answers. Customer data will be stored consistently across various systems.
The strategy will support the concept of 'tell us once'. Where possible, evidential items (such as proof of age or residence) will be re-used to reduce the burden on customers. This will also include citizens signing in and reviewing their own data by use of dual factor authentication.
Service delivery will be designed with shared services in mind. In particular, IT will support the move of service delivery to the front office (web, contact centre and Merton Link). The strategy will support the concept of developing shared services with other authorities.
The strategy will support the rationalisation of systems. Tasks such as systems administration will be streamlined.
The need for innovation will be understood, but more importantly, this will be linked to the potential benefits to the council. Risk of innovative ideas will be managed through careful planning and control.
Technology solutions will be in place to underpin automation of processes. It will be possible to model changes to processes before implementation.
Portals will be available on the intranet for each of these, enabling access to information for decision making without reference to skilled technical staff or time-consuming searches for information.
Key data sources will be brought together systematically to provide a comprehensive but a trusted management information system that can be used by decision makers.
The strategy will support an infrastructure that is based on resilient services, shared infrastructure and a formal disaster recovery plan.
Documents will be available electronically at point of use. Paper records will be imaged. All incoming mail will only enter the processing systems electronically.
The strategy supports the mixed economy model of service delivery, namely in-house, shared services and outsourced.
Systems and infrastructure will be geared towards flexibility in methods of working. Staff will be able to move desk location or working style with minimum disruption. Telephone systems and printing will follow the worker. Secure systems will be in place to ensure data protection.
Data storage will be designed around the life of data and to comply with information governance policies. Duplication of data will be electronically managed to single instances. Data will be stored and deleted in line with retention policies.

3. IT strategy – components

3.1 The diagram below provides a high level view of the components making up this strategy. Details of each component are provided in the **detailed strategy document** as well as how the strategic aims and design principles are addressed.



Section C

Risk Management Strategy

C) RISK MANAGEMENT STRATEGY

Context

What is risk management?

All organisations exist to achieve their ambitions, aims and objectives. Risk management is the process by which we manage the risks that may prevent us from doing so, enabling us to anticipate and respond positively to change. A risk is simply a threat, obstacle, barrier, concern, problem or event that will stop us from achieving our ambitions, aims and objectives. Ultimately risk management is about creating a better understanding of the most important problems facing an organisation, so we can do something about them.

It is not practical to identify and manage every risk the council faces, therefore it is necessary to focus on the key risks to the council, department, division or team.

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

- Raise awareness of the need for risk management.
- Integrate risk management into the day to day activities of staff and the culture of the organisation.
- Establish and maintain a robust framework and procedures for the identification, analysis, assessment and management of risk, including reporting and recording.
- Ensure consistent application of our methodology across all of our activities, including partnerships and projects.
- Minimise injury, damage, loss and inconvenience to staff, residents and service users.
- Minimise the cost of risk.

Benefits of risk management

Successful risk management will produce many benefits for us, including:

- An increased chance of achieving ambitions, aims and objectives as key risks are managed.
- Better decision making as we are more aware of risk.
- The 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
- Improved performance.

National drivers behind risk management

Risk management is something that the council is required to do, and forms part of the Annual Governance Statement, where we must demonstrate a systematic strategy, framework and processes for managing risk.

Risk management awareness

Awareness of risk management will be undertaken on an on-going basis, through staff bulletins, briefings and training sessions. The **risk management intranet page** will be regularly reviewed and staff will be signposted to the information they need to pro-actively manage risk e.g. the risk management toolkit.

Scope of risk management

Risk Area	Definition	Examples
Reputational	An incident or decision that could affect the 'brand' of the council	Negative media reports, external inspections etc.
Political	Failure to deliver local or central government policy or meet local administration's manifesto commitments	New political arrangements, political personalities, political make-up etc.
Legal	Possible breaches of legislation or statutory duties	Failure to comply with statutory requirements etc.
Social	Effects of socio-economic factors on ability to meet objectives	Staff levels from available workforce, aging population, health statistics etc.
Technological	Capacity to deal with pace & scale of change & consequences of IT failures on ability to deliver objectives	e-government, IT infrastructure, staff & client needs, security standards etc.
Legislative	Current or potential changes in national or European law	Human rights, TUPE regulations etc.
Environmental	Environmental consequences of progressing strategic objectives	Land use, recycling, CO2 emissions etc.
Competitive	Competitiveness of the service and ability to deliver value for money	Fail to win quality accreditation, position in league tables etc.
Customer / Citizen	Failure to meet current & changing needs & expectations of customers and citizens	Managing expectations, extent of consultation etc.
Managerial / Professional	Associated with particular nature of each profession, internal protocols & managerial abilities	Staff restructure, key personalities, internal capacity etc.
Financial	Financial planning & control, budgetary pressures	Budget overspends, level of council tax, reserves etc.
Economic	Ability to meet our financial commitments	Cost of living, interest rates, inflation, poverty indicators etc.
Partnership / Contractual	Failure of contractors & partnerships to deliver to agreed cost & specification	Contractor fails to deliver, not to specification etc.
Physical	Related to fire, security, accident prevention and health & safety	Offices in poor state of repair, use of equipment etc.

Links to other disciplines

Risk management links closely with Health and Safety, Business Continuity, Emergency Planning and Insurance. 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, the link with risk management is key in ensuring the continuous delivery of services that 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.

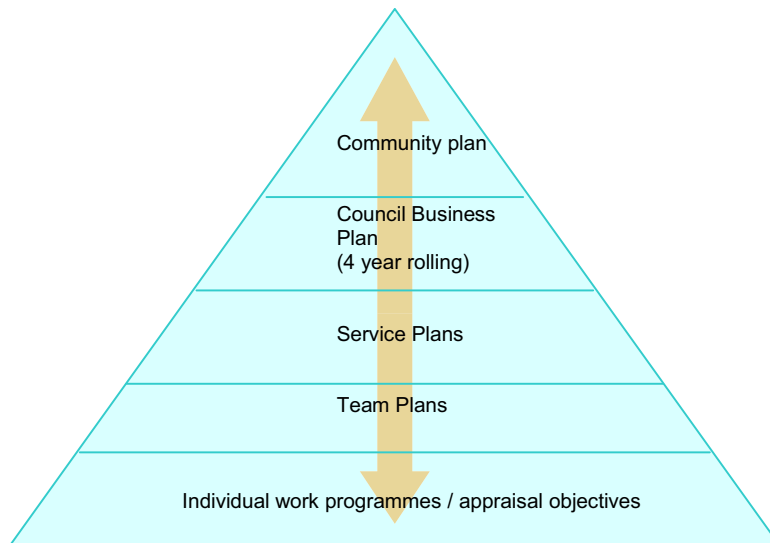
Risk management and financial planning

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

Corporate approach to risk management

In order to formalise and structure risk management, it is recognised that there is an obvious and clear link between the business planning process and risk management. This is why responsibility for risk management now sits within the Business Planning team. The overall council Business Plan and service plans set out what a team, division, department, or the council as a whole, wants to achieve in a set 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 the corporate Key Strategic Risk (KSR) register.
- DMTs are responsible for their own service risk registers.
- Divisions or teams are responsible for their own risk registers, if applicable.

It is important that risks identified and assessed by managers at an operational level are able to be escalated to a departmental or corporate level. However, because a risk would have a great impact on a team it **does not** necessarily follow that it would have a great impact on the department. Ultimately it is the respective management team who decide if a risk is worthy of inclusion on their risk register.

The risk management process in Merton

Stage 1 – Identification of the risk

The first step is to identify any significant risk that could prevent the council, department or team's ambitions, aims and objectives being achieved. It is important that those involved in the process clearly understand the objectives in order to be able to identify the barriers to achievement. Risk can be identified by anyone and at any time e.g. at team or management meetings, project boards etc. Various techniques can be used to begin to identify key or significant business risks including local knowledge and experience, inspection and audit reports, brainstorming sessions, management evaluation tools, learning from others and perceived areas of weakness.

Stage 2 – Analysing the risk

The information gathered needs to be analysed into risk scenarios to provide a clear understanding of what the risk is. There are two parts to a risk scenario. The cause

describes the situation and event, real or perceived, that exposes us to a risk. The consequences are the events that follow in the wake of the risk, if it were to happen. This allows the potential impact of the risk to be assessed. Each risk is logged on the respective register.

Cause	Consequence
Statement of fact or perception about the organisation, department or project that exposes it to a risk. Include the event that could or has occurred that results in a negative impact on the objectives being achieved	The negative impact <ul style="list-style-type: none"> • How big? • How bad? • How much? • Consider worst likely scenario

Stage 3 – Risk prioritisation

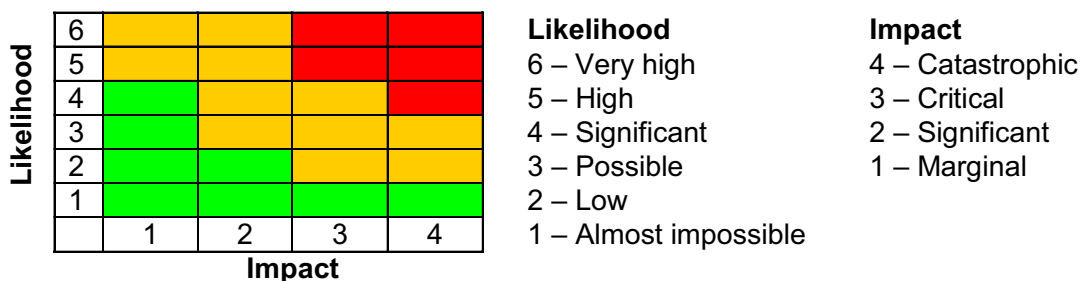
The risk will need to be evaluated, discussed and scored by looking at the risk scenarios and deciding the ranking according to the potential likelihood of the risk occurring and the impact if it did occur.

When assessing the potential likelihood and impact, the risks must be compared to the appropriate objectives e.g. corporate risks should be scored against the Business Plan; departmental risks scored against service plans; project risks scored against the project objectives; and partnership risks scored against the aims and objectives of the partnership. Risks should be considered in line with any relevant timeframes e.g. as service plans are revised annually, the timeframe for the likelihood of the risk happening should be over the next 12 months and corporate risks would be assessed over the next four years. The likelihood and impact should also be considered as they stand at that moment in time, with existing controls in place – not taking future or planned actions into account.

Once a risk has been scored, a ‘sense check’ should be undertaken to ensure the risk has been prioritised realistically.

The current risk tolerance level is that Red risks are of greatest priority and require immediate attention. Amber risks should be reviewed, as further risk mitigation action may be required, and Green risks are likely to require no further action.

Risk tolerance matrix



Stage 4 – Action planning

This is the process of turning ‘knowing’ into ‘doing’ and assessing what to do with the risk.

Controlled – It may be possible to mitigate the risk by ‘managing down’ the likelihood, the impact, or both. The control measures should, however, be appropriate and proportionate to the potential frequency, severity and financial consequences of the risk event.

Accepted – Certain risks may be accepted as they form part of, or are inherent in, the activities of the council. The important point is that these risks have been identified and are clearly understood. Risks that are unlikely to happen or will have a negligible impact may also fall into this category.

Terminated – By ending all participation in a particular service, project or activity.

Transferred – Risks may be handed off to another body or organisation, e.g. through insurance, contractual arrangements, outsourcing, partnerships etc.

Most risks are capable of being managed – either by managing down the likelihood, the impact, or both. Relatively few risks have to be transferred or terminated. In accordance with our risk tolerance levels, all Red risks **must**, and Amber risks **should**, have an action plan to clearly detail what steps are being taken to deal with and control the risk. It is also important to recognise that existing controls may be in place and so these should be considered before further action is taken. Ideally the actions for controlling the risks will be identified in the service plans. Existing controls, their adequacy, new mitigation measures and associated action planning information should be recorded on the risk register, and where possible hyperlinked to that document.

Stage 5 – Monitoring risk management

CMT is responsible for ensuring the key risks on the KSR register are managed and monitored regularly. Directors are responsible for ensuring their departmental risk registers are managed and Assistant Directors, Heads of Service and team managers are responsible for managing their risk registers. Monitoring of any departmental Red risks forms part of Directors’ Information Centre monitoring.

Low (Green) risks do not have to be included in the risk registers, which enables DMTs to focus on those risks likely to happen and which will have a major impact, but should still be monitored.

Reporting and escalating risks

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. The reviews of risk registers should be managed by exception. The reporting cycle 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	Corporate Risk Management Group (CRMG) – review service risks and proposed KSRs	CMT – identify and review KSRs

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

Roles and responsibilities

Individual Employees

- To be aware of risk and risk management relevant to their role.
- To identify risks surrounding their everyday work, processes and environment.
- To actively manage risks and complete risk actions, where appropriate.

Corporate Risk Management Group

- To collate 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.
- To act as a forum for the sharing of best practice.
- To act as champions, facilitators and coordinators of risk management within the council.
- CRMG is made up of:
 - Director of Corporate Services;
 - Head of Business Planning;
 - Departmental risk champions;
 - Head of Audit;
 - Insurance Manager; and
 - Head of Safety Services and Head of Commercial and Procurement on an ad-hoc basis.

Risk Champions

- To liaise with DMTs on an ongoing basis, maintaining their risk registers.
- To maintain officer awareness of risks and feed them into the risk identification process.
- To ensure that risks are updated in the KSR and departmental risk registers.
- To ensure that each risk has an action plan which is monitored and updated on regular basis, reporting any issues to CRMG.

- To attend and be an active member of CRMG.
- To share and exchange relevant information and knowledge with colleagues.

Business Planning team

To ensure risk management is embedded throughout the council. In particular:

- To keep risk management documentation and intranet pages up to date and relevant.
- To ensure risk is part of the annual service planning process.
- To chair CRMG.
- To submit strategic updates and reports on risk management.
- To provide risk awareness sessions and training to officers and Councillors.

Service Managers

- To maintain the awareness of risks and feed them into the risk management process by identifying and assessing risks.
- To implement approved risk management action plans.

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.
- To be actively involved in the risk management process within their department and CMT, including nominating an appropriate Risk Champion for their department.
- To report to CMT quarterly, or at other agreed times, on corporate risks they own.

Section 151 Officer / Internal Audit

- To carry out independent reviews of the risk management strategy and processes.
- To provide assurance, giving an independent and objective opinion, to the council on the adequacy of risk management, control procedures and governance.
- To report to Councillors on the control environment.
- To provide an annual Audit Plan, based on a reasonable evaluation of risk, and to provide an annual assurance statement to the council based on work undertaken in the previous year.

Chief Executive and CMT

- To take a leading role in the risk management process and to set an example and standard to all staff.

- To identify, analyse and score corporate and crosscutting risks.
- To advise on the management of corporate and other significant risks.
- To be ultimately accountable for risk management being communicated, understood and implemented by Councillors, managers and staff, and being fully embedded in the council's business planning and monitoring processes.
- To work with Councillors, when appropriate, on the management of risks that could affect the council achieving its ambitions.

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 the 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.

General Purposes Committee

To provide independent oversight of the adequacy of the risk management framework and the associated control environment. In particular:

- To receive the annual review of internal controls and be satisfied it properly reflects the risk environment and any actions required to improve it.
- To receive reports on the KSR register to determine whether strategic risks are being actively managed.
- To review and recommend adoption of the risk management strategy to Cabinet on an annual basis, or if significant changes require a revision.

Cabinet

- To receive reports on the risk management strategy to determine whether corporate risks are being actively managed.
- To agree the risk management strategy on an annual basis, or when significant changes are made.
- To report to full Council on the risk management framework.

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 recommend course of action. The risk assessment should follow the corporate procedure and scored using the risk matrix. The report should also give details of any controls proposed, or in place, to manage the significant risks identified. Where appropriate, reference should be made to any existing risk.

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 KSR registers.

For more information on risk management contact the Business Planning team or go to the **risk management intranet page**.

Section D

Performance Management Framework

D) PERFORMANCE MANAGEMENT FRAMEWORK

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 use that information to improve local services.

Merton launched its Performance Management Framework in 2004. While the main principles of performance management remain the same, the framework undergoes regular review and updating to ensure that it remains up to date with changes such as the new business planning arrangements launched in 2011/12. The Business Plan now brings together financial and service planning, presented as one comprehensive document, to give a detailed picture of how the council will operate each year, over a four year period.

Performance management is about how we consistently plan and manage improvements to our services to ensure continuous improvement in line with Lean principles. Sustainable improvements in services are unlikely to happen without it.

Everyone in the organisation has a part to play in monitoring our services and achieving our ambition. Our framework will help all of us to understand:

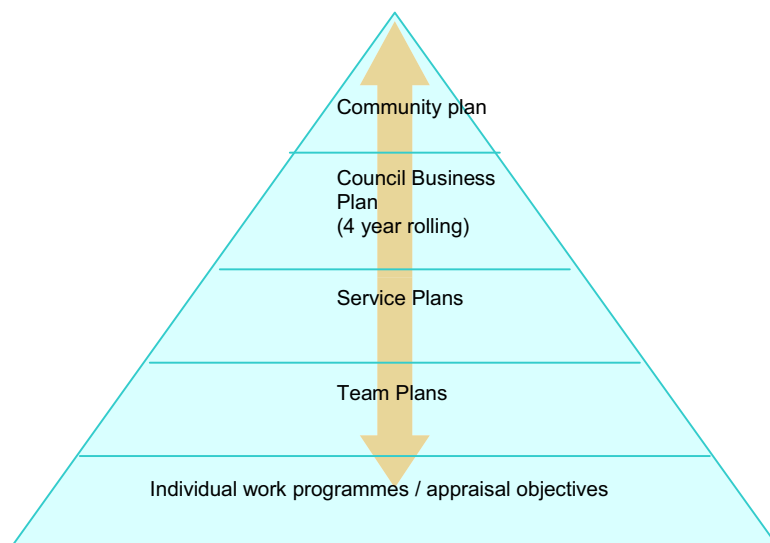
- What we are trying to achieve as an organisation.
- How we are going to achieve this.
- How we will monitor and report progress.
- How the contribution of staff, managers, teams and departments relate to each other to help deliver the targets set for the whole organisation.

The framework has three parts

1. The planning framework, how the plan fits together - the Golden Thread
2. The planning, monitoring and review cycle
3. Taking responsibility seriously

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** sets out the priorities for the council and its partners.
- **The 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.
- **Individual appraisals** take place twice a year and are used to agree individual work programmes and targets.
- **The 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.
- **The Workforce Development Plan** is focused on making the best use of the skills of staff to deliver the services residents demand and deserve

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 reflected in performance 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 that describe where we want to be are laid out in the Community Plan and the Business Plan and reflected at a more local level in service plans and targets in annual appraisals.

Doing - How do we get to where we want to be?

To get 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.

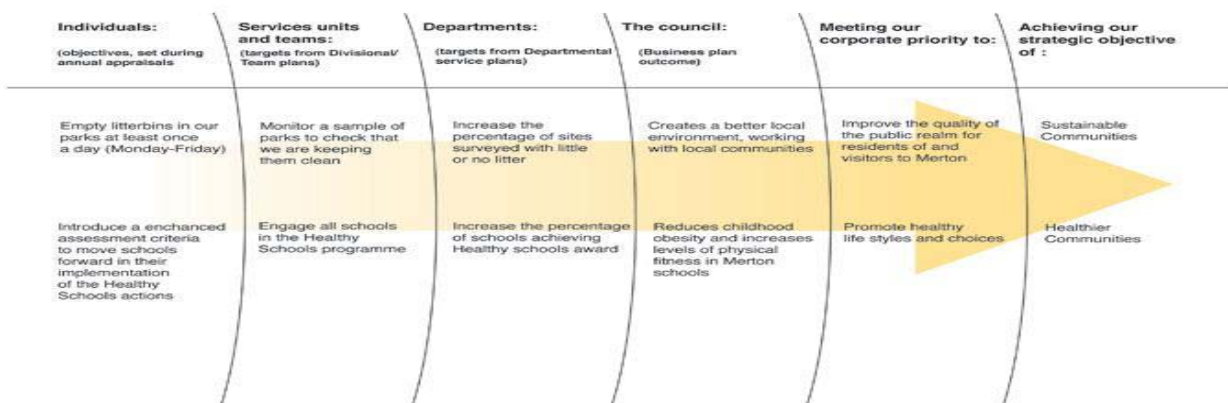
Revising - What do we do next?

It is important that our services evolve to meet the needs of our residents. Having reviewed our performance, we may need to change what we are doing or 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 to improving Merton, working within and using the Performance Management Framework. This ensures that measurable activities, at individual, team and service levels, translate into outcomes.



Deciding what to measure and setting targets

Performance measures and indicators describe how well a service is performing against its objectives. Targets are defined levels of performance for a particular performance measure or indicator. Setting targets is an important discipline and the **Business Planning** team are able to help with this.

Data Quality

Having set targets it is important that we report progress against these in a timely and accurate way, so good data quality is essential. The council adopted a **data quality strategy** in 2006 which outlines the principles and standards of data quality expected by the council. The roles and responsibilities are outlined below:

Individuals

All staff have a responsibility to deliver the tasks / actions that have been agreed in their appraisal and understand how their work contributes to the team, departmental and council goals.

Managers

All managers have responsibility for supporting their staff through the appraisal process and regular reviews. 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

DMTs monitor their department's performance information and are responsible for taking action to deal with under-performance. DMTs 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 DMTs 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 CMT.

Corporate Management Team

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 DMTs to review areas of concern and agree management action to address under-performance.

Cabinet and Elected Councillors

Ultimately, councillors are responsible for setting the direction of the council and developing priorities by developing policy, setting strategic targets, monitoring progress, and agreeing the framework for continuous improvement.

Full Council receive regular reports on progress against the strategic themes, including any relevant performance information and can use these meetings as an opportunity to ask questions of Cabinet members 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.

Corporate Indicator set 2013-14

The corporate indicator set is a set of ten key measures from each of the four departments. There are 40 performance measures in total which are monitored on a monthly basis by the Corporate Management Team (CMT).

PI code and description	Dept.	12/13 target	13/14 target	Frequency	Polarity
CRP 18 - % council tax collected	CS	97.45	97	Monthly	High
CRP 36 - % of business rates collected	CS	97	97	Monthly	High
CRP 13 - % of positive and neutral coverage tone	CS	91	TBC	Monthly	High
CRP 37 - % of complaints progressed to level 2 (quarterly in arrears)	CS	16	10	Quarterly	Low
CRP 14 - % of ombudsman complaints answered in 28 days	CS	85	TBC	Monthly	High
CRP 04 - Average numbers of working days lost to sickness	CS	8	9	Monthly	Low

PI code and description	Dept.	12/13 target	13/14 target	Frequency	Polarity
CRP 16 - The level of CO2 emissions from the councils main operational buildings (tonnes)	CS	1950	TBC	Monthly	Low
CRP 41 (SP 192) - % of Freedom Of Information requests dealt with in time (monthly in arrears)	CS	90	90	Monthly	High
CRP 42 (LCS 95) Freedom of Information (FOI) requests answered in full (including information already published or not held)	CS	80	80	Monthly	Low
CRP 43 (SP 301) – % Successful website visits	CS	82.50	TBC	Monthly	High
CRP 44 – Income from off / on street parking	E&R	£10,617,000	TBC	Monthly	High
CRP 45 (SP 118) – Income from development and building control	E&R	£1,971,710	£1,971,710	Monthly	High
CRP 46 (SP 23) Increase the level of capital receipts to support the financial strategy (excluding Merton Priory Homes)	E&R	£5,000,000	£5000,000	Quarterly	High
CRP 47 (SP 68) – Number of refuse collections including recycling and kitchen waste missed per 100,000	E&R	70	60	Monthly	Low
CRP 48 - % sites surveyed on street inspections for litter that are below standard	E&R	9	8.5	Monthly	Low
CRP 49 (SP 59) – Number of fly tips in streets and parks	E&R	3500	3300	Monthly	Low
CRP 50 - Volume of planning applications	E&R	TBC	TBC	Monthly	High
CRP 51 (SP 114) - % of major planning applications processed within 13 weeks	E&R	60	60	Monthly	High

PI code and description	Dept.	12/13 target	13/14 target	Frequency	Polarity
CRP 52 (SP 115) - % of minor planning applications processed within 8 weeks	E&R	65	65	Monthly	High
CRP 53 (SP 116) - % of other planning applications processed with 8 weeks	E&R	80	80	Monthly	High
CRP 54 (SP 39) - No. of adults inc carers, in receipt of Direct Payments or Personal Budgets as a % of all customers & carers receiving community based services.	C&H	42	45	Monthly	High
CRP 55 (SP 275) – Weekly rate of delayed transfers of care from hospital - (both Merton & NHS responsible) (Measured monthly in arrears)	C&H	7	6.5	Monthly	Low
CRP 56 (SP 54) – % Carers receiving a service of information and advice	C&H	28	28.5	Monthly	High
CRP 57 (SP 274) No. of adults receiving community based Services e.g. Personal Care, to help them continue to live in their own homes, as a % of all customers receiving services	C&H	80	82	Monthly	High
CRP 58 (SP 273) – Number of adults on the Occupational Therapy waiting list as a snapshot at the end of the month	C&H	85	80	Monthly	Low
CRP 59 (SP 08) – No. of people accessing the library service by borrowing an item or using a peoples network terminal at least once in the previous 12 months	C&H	54000	54000	Monthly	High
CRP 60 (SP 09) - Number of visitors accessing the library service on line	C&H	95000	110,000	Monthly	High

PI code and Description	Dept.	2012/13 target	2013/14 target	Frequency	Polarity
CRP 61 (SP 36) – The number of households in temporary accommodation provided under the homeless legislation	C&H	87	100	Monthly	Low
CRP 62 (SP 35) – The number of homelessness cases prevented	C&H	525	550	Monthly	High
CRP 63 (SP 242) – CRP 63/SP 242 - Number of learners funded by LSC on non-accredited courses (Academic) TBC	C&H	3827	TBC	Monthly	High
CRP 64 (SP 75) – % Children and young people on child protection plan for second or subsequent time	CSF	10	10	Monthly	Low
CRP 65 (SP 95) - Number of Special guardianship orders and adoptions finalised during the year ending 31 March.	CSF	12	12	Monthly	High
CRP 66 (SP 290) - % Looked after children in foster care placed with external agency carers	CSF	40	38	Monthly	High
CRP 67 (SP 293) – Average number of months to recruit in house foster carers from application to panel recommendation	CSF	6	6	Monthly	Low
CRP 68 (SP 84) - % of Good or Outstanding Ofsted inspections rated as good in children’s centres.	CSF	100	100	Monthly	High
CRP 69 (SP 78) – % Outcome of schools Ofsted inspections rated as good or outstanding	CSF	75	77	Monthly	High
CRP 70 (SP 100) - % of final statements issued within 26 weeks following a first statutory assessment, excluding exception cases	CSF	95	95	Monthly	High

PI code and Description	Dept.	2012/13 target	2013/14 target	Frequency	Polarity
CRP 71 (SP 91) – No. of first time entrants to the Youth Justice System aged 10-17 years.	CSF	125	110	Monthly	Low
CRP 72 (MP 15) – % 16-19 year olds Not in Education, Employment or Training (NEET)(monthly in arrears)	CSF	5.5	5.5	Monthly	Low
CRP 72 (SP 109) - % vacancies in reception year of primary school	CSF	1.50	2.00	Monthly	Low

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**.

Section E

Service Planning 2013/17

SERVICE PLANNING

1. The following 28 service plans have been compiled, they are displayed in the table below under their Scrutiny Panel and also their department:

Children & Young People	Healthier Communities & Older People	Overview & Scrutiny	Sustainable Communities
Children's Social Care	Adult Social Care	Business Improvement	Commercial Waste
Commissioning, Strategy & Performance		Corporate Governance	Development & Building Control
Education		Customer Services	Environmental Health
		Human Resources	Future Merton
		Infrastructure & Transactions	Housing Needs & Enabling
		Resources	Leisure Development
		Safer Merton	Libraries
		Shared Legal Services	Merton Adult Education
			Parks & Green Spaces
			Parking
			Property
			Street Cleaning
			Traffic & Highways
			Transport Commissioning
			Transport Passenger Fleet
			Waste Management

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

Children, Schools and Families Department

Children's Social Care

Clir Maxi Martin Cabinet Member for Children's Services & Clir Martin Wheldon Cabinet Member for Education

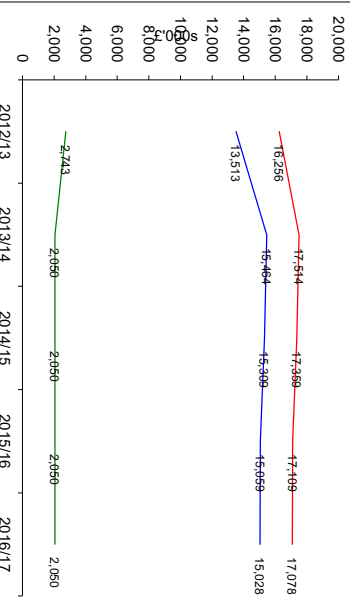
Enter a concise description of your main activities/objectives below:

Children's Social Care (CSC) delivers a range of government prescribed and legislated functions to children at risk of harm, children in care, care leavers & young offenders, as well as wider services for families. CSC works within an integrated context co-ordinating multi agency support for those families and works at Levels 3, 4 and 5 of Merion's Child and Young Person (CYP) Well-being Model. The service works with approximately 1300 children at any one time who have the greatest needs in the borough across a range of outcomes: safety, well-being, health, education and life chances. Merion's CYP Well-being Model sets out Merion's approach to supporting families which seeks to provide services at the time they are needed to prevent further need arising and escalation up the model. This is the most efficient use of resources and CSC undertakes a range of family support activity to prevent children entering either child protection or care systems at every age and stage of childhood. This necessitates a strong commitment to robust thresholds which requires a quality assurance function to ensure ongoing success of the Model.

Merion has lower numbers of children subject to child protection plans and in the care system than the majority of London boroughs, as well as lower numbers of ill at time attendees, and seeks to continue this approach, therefore ensuring that we minimise the use of costly high end interventions with our families and promoting families strengths to enable them to care for their own children.

The CSC budget comprises general fund and areas of the Early Intervention Grant (Bond Road Family Support and commissioning service to support vulnerable young people and their parents to prevent offending and re-offending. It also supports the transforming families programme, helping targeted families to get back into work, and improve the outcomes for their children by preventing reoffending or going into care. It also leads on participation for CSF.

DEPARTMENTAL BUDGET AND RESOURCES



PLANNING ASSUMPTIONS

Project	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development		
Anticipated demand										
Population Growth - Looked after children		15 - 30				Statutory / Government Initiative	Children & Young Person's Plan	Reliance on agency Learning & Dev.		
Population Growth - Child Protection Plans		30 - 60				Statutory / Government Initiative	Anti Social Behaviour			
Increase in 11-19 population		50	200	300		Customer demand - external	Health & Wellbeing			
Increased pressure on high level targeted services due to EIP activity & statutory duty for statutory interventions at a later stage						Statutory / Government Initiative	Social Inclusion Strategy			
Anticipated supply						Key drivers of supply	Community Plan			
Staff - reflects transfer of YS to Ed	201	159	159	159	159	Economic	Corp Equality Scheme			
Adoption and Fostering						Legal	Family Poverty			
							LAC Strategy			
							Youth Crime			
Performance Indicator						Performance targets (indicate if % target)	Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
% Initial assessments completed within 10 days	90					measures will change following Munro Review	High	Quarterly	Business critical	Safeguarding issues
% Core assessments completed within 35 days	80						High	Quarterly	Business critical	Safeguarding issues
CP visits completed on time (child seen)	94	95	95	95	95		High	Quarterly	Quality	Safeguarding issues
Children in care adopted or receiving a Special Guardianship Order	12	12	14	14	14		High	Monthly	Outcome	Reduced customer service
% CYP on Child Protection Plan for 2nd or subsequent time	10	10	10	10	10		Low	Monthly	Quality	Safeguarding issues
% NEET aged 16-19	5.5	5.5	5.5	5.5	5.5		Low	Monthly	Outcome	Social exclusion
YJS first time entrance	12.5	11.0	10.5	10.0	9.0		Low	Monthly	Outcome	Social exclusion

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Embed restructuring of Children's Social Care to meet the requirements of Munro, adoption & fostering, etc	1		1		1	
2	Establish & develop Multi Agency Safeguarding Hub (MASH) in operation	2		2		2	
3	Deliver Transforming Families year 2 programme	3		3		3	
4	Develop training for social workers Assessed & Supported Year in Emp Justice Review	4		4		4	
5	Implement changes following Family Justice Review	5		5		5	
6	Review Youth Justice preventative service	6		6		6	
7		7		7		7	
8		8		8		8	
9		9		9		9	
10		10		10		10	

ACTIONS AND SAVINGS

Expenditure	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget £'000s	16,256	17,514	17,359	17,109	17,078
Expenditure	16,256	17,514	17,359	17,109	17,078
Income	2,743	2,050	2,050	2,050	2,050
NET BUDGET	13,513	15,464	15,309	15,059	15,028
Capital Budget	110	139			

Finance Comments (Capital Budget or otherwise)

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Children's Social Care		MAJOR EXPECTED OUTCOME		IMPACT ON:		Sustainability		Risk		Score
PROJECT DESCRIPTION		Equalities		Select up to 3 services				Likelihood	Impact	
2013/14 Embed restructuring of Children's Social Care to meet the requirements of Muro, adoption & fostering, etc				Children's Social Care - positive impact						
1	<p>Amalgamate existing CIN & LAC teams into single Core Assessment Team, with single assessment framework & expert SW role. Expand capacity of Vulnerable Children Team to increase safeguarding role & casework for school age children, working closely with extended Early Years Service in relation to children aged 0-5. Related also to project 2 below.</p> <p>2013/14 Deliver Transforming Families year 2 programme</p>	To meet legislative requirements	Equality analysis to be undertaken	<p>Early Years - positive impact</p> <p>Commissioning, Strategy and Performance - positive impact</p> <p>Children's Social Care - positive impact</p>	Not applicable		3	3	9	
2	<p>Develop & incrementally operationalise a Merton Multi-Agency Safeguarding Hub (MASH) by March 2013, & ongoing. MASH will increase multi-agency information sharing & decision-making to identify children at risk of significant harm, & to provide timely services to children in need to prevent escalation into statutory services.</p> <p>2013/16 Deliver Transforming Families year 2 programme</p>	To meet legislative requirements	Equality analysis to be undertaken	<p>Early Years - positive impact</p> <p>Commissioning, Strategy and Performance - positive impact</p> <p>Children's Social Care - positive impact</p>	Not applicable		3	3	9	
3	<p>Continued implementation of TF programme, and claiming of performance based grant funding. Implementation of TF exit strategy & realigning TF team into CSF family intervention for the future.</p> <p>2013/14 Develop training for social workers Assessed & Supported Year in Emp</p>	To meet legislative requirements	Equality analysis to be undertaken	<p>Early Years - positive impact</p> <p>Schools, Standards and Quality - positive impact</p>	Not applicable		2	3	6	
4	<p>Bespoke post qualifying training for newly qualified social work staff under the new Assisted & Supported Year in Employment (ASYE) scheme.</p> <p>2013/14 Implementation of changes following Family Justice Review</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable		2	3	6	
5	<p>Modernisation of Family Justice system to reduce the average time taken to conclude proceedings from 13 months to 6. Will require a significant shift in how we conduct business in future.</p> <p>2013/16 Review Youth Justice preventative service</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable		3	3	9	
6	<p>Although this project will sit within CSP, some early intervention services are commissioned through the voluntary sector via CSC. These services are to be commissioned to create an all age threshold service as part of a cross-cutting project that affects all CSF divisions.</p> <p>2013/16 Review Youth Justice preventative service</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable		3	3	9	
7										
8										
9										
10										

Commissioning, Strategy and Performance		DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT						
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:		Sustainability	Likelihood	Risk		Score
		Equalities	Select up to 3 services			Impact	Score	
2013/17 Progress existing capital schemes & provide additional FEs in primary schools as necessary	To meet legislative requirements	Equality analysis to be undertaken	Development and Building Control - negative impact Schools, Standards and Quality - positive impact	Impact on building emissions	3	3	9	
2013/17 Implementation of secondary school expansion strategy	To meet legislative requirements	Equality analysis to be undertaken	Development and Building Control - negative impact Schools, Standards and Quality - positive impact	Impact on building emissions	3	3	9	
2013/14 Embed new Early Intervention Strategy & complete procurement of new 3rd party EIP services	Improved resident well being	Equality analysis to be undertaken	Human Resources - negative impact Commercial and Procurement - negative impact	Not applicable	3	3	9	
2013/14 Implement new Parenting Strategy	Improved resident well being	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	2	2	4	
2013/14 Develop & implement internal SLAs with CSF operational services	More efficient way of working	No impact	Select a service Select a service Select a service	Not applicable	2	2	4	
2013/14 Develop and implement strategy to establish CSF commissioning unit	More efficient way of working	No impact	Children's Social Care - positive impact Children's Social Care - positive impact Early Years - positive impact Youth and Inclusion - positive impact	Not applicable	2	2	4	
2013/14 Further development of departmental continuous improvement strategy	More efficient way of working	No impact	Children's Social Care - positive impact Early Years - positive impact Youth and Inclusion - positive impact	Not applicable	2	2	4	
2013/14 Implement in-house foster carer recruitment strategy and other sufficiency gaps for LAC placements	Improved resident well being	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	2	2	4	
2013/14 PFI, 5 year review	More efficient way of working	No impact	Schools, Standards and Quality - positive impact	Not applicable	4	2	8	

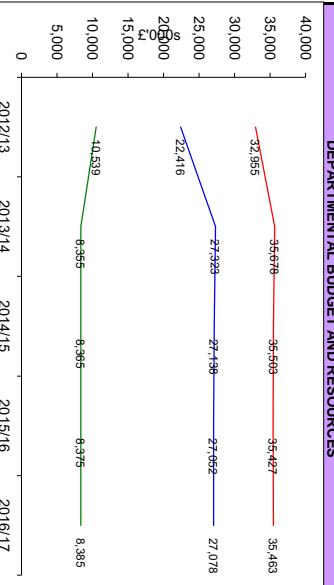
Education

Enter a concise description of your main activities/objectives below:

- monitoring, analysing & evaluating pupil and school performance
- developing skills in planning, teaching, assessment, leadership & management
- working with schools to reduce inequality & improve achievement for vulnerable groups
- changing relationship between LAs, HTs & schools in context of new government
- Special Educational Needs & Disabilities will improve outcomes for CYP with SEND by building capacity in schools & settings, families & the community to meet needs of children & young people with SEND
- focus on early intervention & prevention as well as direct support for schools & families
- Early Years Services will improve outcomes for all children aged 0-5 via:
 - universal, early help & targeted services
 - Children's Centres
 - free nursery places for 2 to 4 year olds
 - information for families (0-19) & family support
 - childcare market management
- Youth Inclusion will improve outcomes for YP by:
 - providing universal & targeted in house & commissioned services for YP & schools
 - providing support to prevent bullying, substance misuse, & teenage pregnancy, to improve attendance & to encourage emotional & social development
 - developing alternative education offerings to enable YP to stay in education, training & employment.
 - leading on the council's partnership with the police & CAMHS for education

DEPARTMENTAL BUDGET AND RESOURCES

Year	Expenditure	Income	NET BUDGET
2012/13	32,955	35,678	3,723
2013/14	35,678	35,603	3,075
2014/15	35,503	35,463	3,040
2015/16	35,427	35,463	3,036
2016/17	35,463	35,463	0



Category	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget £'000s	32,955	35,678	35,503	35,427	35,463
Expenditure	8,338	9,052	8,994	8,996	8,979
Employees	375	392	386	399	402
Premises	3,123	3,155	3,082	2,947	2,944
Supplies and Services	11,885	12,687	12,700	12,714	12,727
3rd Party Payments	7,396	8,383	8,348	8,378	8,408
Support services	1,603	1,936	1,936	1,936	1,936
Depreciation	234	48	48	48	48
Transfer Payments	1	19	19	19	19
Income	10,538	8,355	8,355	8,375	8,385
Government grants	6,417	2,261	2,261	2,261	2,261
Other reimbursements	2,375	3,935	3,935	3,935	3,935
Customer and client receipts	1,747	2,159	2,159	2,179	2,189
Reserves					
Capital Funded					
NET BUDGET	22,416	27,323	27,138	27,052	27,078
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17
Primary	22,135	25,873	16,840	10,140	5,400
Secondary	2,281	1,500	1,150	1,150	22,150
Other	5,036	2,417	400	400	400

PLANNING ASSUMPTIONS

Project	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development
1	459	502	530	569	501	Customer demand - external	Children & Young person's Plan	Learning & Dev.
2	2000	→	→	→	→	Stutory / Government Initiative	Community Plan	Turnover
3	247	214	119	58	(57)	Customer demand - external	Corp Equality Scheme	Sickness
4	191	228	228	228	228	Customer demand - external	Performance Management Framework	
5	62	64	66	80	82	Key drivers of supply	Social Inclusion Strategy	
6	75	77	79	80	82	Economic	LAC Strategy	
7	78	80	82	84	85	Economic	Youth crime	
8	520	520	520	520	520	Economic	Family Poverty	
9	95	95	95	to be reviewed	70	Economic	Health & Wellbeing	
10	63	65	67	69	75	Economic		
11	67	69	71	73	75	Economic		
12	100	100	100	100	100	Economic		
13	100	100	100	100	100	Economic		
14	1,800	2,000	2,300	2,300	2,300	Economic		

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	2014/15	2015/16	2016/17	Priority	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
1	Improving pupil outcomes at KS2 & KS4	Improving pupil outcomes at KS2 & KS4	Improving pupil outcomes at KS2 & KS4	Improving pupil outcomes at KS2 & KS4	High	Annual	Outcome	Reputational risk
2	Development of Merton Education Partnership - ongoing	Development of Merton Education Partnership - ongoing	Development of Merton Education Partnership - ongoing	Development of Merton Education Partnership - ongoing	High	Monthly	Outcome	Reputational risk
3	School Improvement business development, marketing & income generation	Business development, marketing & income generation - ongoing	Business development, marketing & income generation - ongoing	Business development, marketing & income generation - ongoing	High	Quarterly	Outcome	Reputational risk
4	Provision of 2-year old places	Continued rollout	Continued rollout	Continued rollout	High	Annual	Outcome	Reputational risk
5	Locally model for Children's Centres	Locally model for Children's Centres	Locally model for Children's Centres	Locally model for Children's Centres - ongoing	High	Quarterly	Outcome	Reputational risk
6	Implementation of requirements of Children & Families Bill	Implementation of requirements of Children & Families legislation	Implementation of requirements of Children & Families legislation	Implementation of requirements of Children & Families legislation - ongoing	High	Quarterly	Outcome	Reputational risk
7	Integrated SEND working & transitions	Integrated SEND working & transitions	Integrated SEND working & transitions	Integrated SEND working & transitions	High	Annual	Outcome	Reputational risk
8	Development of AllEd & linked provision	Development of AllEd & linked provision	Development of AllEd & linked provision	Development of AllEd & linked provision	High	Annual	Outcome	Reputational risk
9	Youth Transformation Phases 2 & 3	Youth Transformation Phase 2	Youth Transformation Phase 2	Youth Transformation Phase 3	High	Quarterly	Outcome	Reputational risk
10					High	Annual	Output	Inspection outcomes

ACTIONS AND SAVINGS

Project	2013/14	2014/15	2015/16	2016/17
1	-75	-60	-10	-10
2	-50	-140	-161	-50
3	-95	-30	-30	-30
4		-70		
5				
6				
7				
8				
9				
10				
NET BUDGET	22,416	27,323	27,138	27,078
Capital Budget	2012/13	2013/14	2014/15	2015/16
Primary	22,135	25,873	16,840	10,140
Secondary	2,281	1,500	1,150	1,150
Other	5,036	2,417	400	400

Finance Comments (Capital Budget or otherwise)

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Education		MAJOR EXPECTED OUTCOME		IMPACT ON:		Risk		Score	
PROJECT DESCRIPTION		Equities		Select up to 3 services		Sustainability		Likelihood	Impact
1	2013/17 Improving pupil outcomes at KS2 & KS4	Improved resident well being	Equally analysis to be undertaken	Children's Social Care - positive impact Special Educational Needs - positive impact	Not applicable	2	3	6	
2	2013/17 Development of Merton Education Partnership - ongoing	Improved resident well being	Equally analysis to be undertaken	Whole organisation - positive impact Whole organisation - positive impact Early Years - positive impact Special Educational Needs - positive impact	Not applicable	2	2	4	
3	2013/15 School Improvement business development, marketing & income generation More commercial approach to SSC services, and move to a sharper SLA based charging process, to facilitate provision to other organisations & to generate income.	Income generation	No impact	Whole organisation - positive impact Early Years - positive impact Children's Social Care - positive impact Special Educational Needs - positive impact	Not applicable	4	2	8	
4	2013/16 Provision of 2-year old places	Improved resident well being	Equally analysis to be undertaken	Early Years - positive impact Children's Social Care - positive impact Special Educational Needs - positive impact	Not applicable	2	3	6	
5	2013/16 Locally model for Children's Centres	More efficient way of working	Equally analysis to be undertaken	Early Years - negative impact Children's Social Care - negative impact Select a service	Not applicable	4	3	12	
6	2013/16 Implementation of requirements of Children & Families Bill Following on from White Paper set up to meet new legislative requirements including EHCP.	To meet legislative requirements	Equally analysis to be undertaken	Schools: Standards and Quality - positive impact Special Educational Needs - positive impact Children's Social Care - positive impact	Not applicable	3	3	9	
7	2013/16 Integrated SEND working & transitions Including addressing new statutory duty for age 19-25. Develop plan & manage process within available funding streams.	Improved resident well being	Equally analysis to be undertaken	Schools: Standards and Quality - positive impact Special Educational Needs - positive impact Children's Social Care - positive impact	Not applicable	3	3	9	
8	2013/15 Development of ATEd & linked provision Review of ATEd provision for vulnerable pupils. New commissioning arrangements for wraparound service.	Improved resident well being	Equally analysis to be undertaken	Schools: Standards and Quality - positive impact Special Educational Needs - positive impact Children's Social Care - positive impact	Not applicable	2	3	6	
9	2013/16 Youth Transformation Phases 2 & 3 Roll out of 3 localities - Morden, Wimbledon, Mitcham - with VS leadership	Improved resident well being	Equally analysis to be undertaken	Safer Merton - positive impact Schools: Standards and Quality - positive impact	Not applicable	4	3	12	
10									

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Community and Housing Department

Adult Social Care

Clr Linda Kirby, Cabinet Member for Adult Social Care & Health

Enter a concise description of your main activities/objectives below:

Transformation Programme:

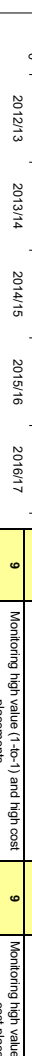
The service will focus on inputs that prevent people crossing the threshold into services and/or which prevent a longer term need for ongoing support. Where long-term support is required, the priority will be to enable individuals to access services that keep them safe & well and provide support for carers.

Underlying this will be a focus on minimising waste in processes. The service will work in partnership with the Sutton & Merton NHS to enable both organisations to meet good evidence-based outcomes. We will expect individuals to take responsibility for their own lives as much as possible and to maximise their own resources.

The purpose of this service plan is to enable access to care and support for people who require it as defined in legislation and Merton's eligibility criteria. The principle of self directed support underpins this.

DEPARTMENTAL BUDGET AND RESOURCES		PLANNING ASSUMPTIONS									
		2012/13		2013/14		2014/15		2015/16		2016/17	
Anticipated demand		6,513	6,630	6,729	6,820	6,920	7,020	7,120	7,220	7,320	
No. of people requiring services		2,400	2,400	2,400	2,500	2,500	2,500	2,500	2,500	2,500	
People aged 85-99		1,600	1,700	1,800	1,800	1,900	1,900	1,900	1,900	1,900	
People aged 90+		1,960	1,963	1,957	2,047	2,047	2,047	2,047	2,047	2,047	
No. of people aged 65+ with dementia		431	444	440	440	438	438	438	438	438	
Anticipated supply		431	444	440	440	438	438	438	438	438	
Staff (FTE)											
Performance Indicator		2012/13		2013/14		2014/15		2015/16		2016/17	
% Carers receiving services		28	28.5	29	30	30	30	30	30	30	
% People living at home after rehabilitation		75	77	78	80	80	80	80	80	80	
% of people on the OT waiting list		85	80	75	70	65	65	65	65	65	
% Customers supported in the community		80	82	84	85	85	85	85	85	85	
% People with personal budgets		42	45	50	55	60	60	60	60	60	
Weekly rate of Delayed Transfers of Care from Hospital (both Merton & NHS responsible)		7	6.5	6	5.5	5	5	5	5	5	

DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD									
		2013/14		2014/15		2015/16		2016/17		2016/17	
1	0% inflation uplift	1	1	1	1	1	1	1	1	1	1
2	De-registration of residential care: Ordinary Residence	2	2	2	2	2	2	2	2	2	2
3	Optimise use of Shared Lives: Restructuring Supporting People	3	3	3	3	3	3	3	3	3	3
4	Optimise telecare usage	4	4	4	4	4	4	4	4	4	4
5	Optimise block and spot contracts	5	5	5	5	5	5	5	5	5	5
6	Care Fund Calculator	6	6	6	6	6	6	6	6	6	6
7	Transport	7	7	7	7	7	7	7	7	7	7
8	Transfers	8	8	8	8	8	8	8	8	8	8
9	Monitoring high value (1-to-1) and high cost placements (additional placements)	9	9	9	9	9	9	9	9	9	9
10	Optimise block and spot contracts (additional placements)	10	10	10	10	10	10	10	10	10	10



Revenue Budget £'000s		2012/13		2013/14		2014/15		2015/16		2016/17	
Expenditure	82,789	81,247	79,182	73,615	73,995						
Income	15,444	14,930	14,505	14,422	14,422						
Net Budget	67,345	66,317	64,677	59,193	59,573						
Employees	15,221	15,444	14,490	14,505	14,422						
Premises	489	500	507	514	522						
Transport	1,555	1,390	1,282	1,305	1,327						
Supplies and Services	4,055	3,643	3,322	3,355	2,886						
3rd party payments	42,816	40,964	39,338	39,256	38,709						
Transfer Payments	12,160	12,550	12,987	13,424	13,874						
Support services	6,830	7,180	7,180	7,180	7,180						
Depreciation	62	76	76	76	76						
Income	27,648	23,708	21,713	20,579	20,580						
Government grants	7,162	131	135	0	0						
Other reimbursements	7,665	10,012	8,012	7,012	7,012						
Customer and client receipts	9,288	10,276	10,277	10,278	10,278						
Recharges	3,317	3,289	3,289	3,289	3,289						
Reserves	226	0	0	0	0						
Capital Funded	0	0	0	0	0						
Capital Budget	55,140	58,039	57,469	59,036	58,416						
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17						
	119	1,220									

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Adult Social Care		PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME		IMPACT ON:		Sustainability		Likelihood		Risk		Score	
						Equalities									
						Select up to 3 services									
						Legal Services - negative impact									
						Select a service									
						Legal Services - negative impact									
						Select a service									
						Housing Needs and Enabling Services - positive impact									
						Housing Benefits - negative impact									
						Children's Social Care - negative impact									
1	2013/14 0% inflation uplift 2014/15 0% inflation uplift 2015/16 2016/17	0% inflation uplift to third party suppliers (successfully implemented over last two years) This will become more difficult to deliver the longer the period.	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	5	3	15					
2	2013/14 De-registration of residential care; Ordinary Residences 2014/15 De-registration of residential care; Ordinary Residences 2015/16 2016/17	De-registration of residential care homes in borough will generate savings as a Supported Living model enables customers to claim housing benefits. Ordinary Residences is where a host family is responsible for the funding of a customer's care. Shared Lives is where a customer is placed with a family and the funding responsibility has been transferred to host authorities for a number of customers originating from BLM.	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	4	3	12					
3	2013/14 Optimise use of Shared Lives; Restructuring Supporting People 2014/15 Optimise use of Shared Lives; Restructuring Supporting People 2015/16 2016/17	Maximising the use of Shared Lives, a supported living model, will provide savings in relation to residential care. Historically the customer groups with customers, the most support needs, are those who are not eligible for Shared Lives. The Shared Lives Supporting People funding is no longer ring-fenced. There are opportunities to fundamentally restructure & refocus the use of SP services and generate savings.	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	4	3	12					
4	2013/14 Optimise telecare usage 2014/15 Optimise telecare usage 2015/16 2016/17	Optimise the use of telecare and assistive technologies to provide a more cost effective alternative to domiciliary care and other forms of intervention.	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	4	2	8					
5	2013/14 Optimise block and spot contracts 2014/15 Optimise block and spot contracts 2015/16 2016/17	Optimising the use of block and spot contracts. Standardising rates through the development of an Approved Provider List will generate savings.	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	4	2	8					
6	2013/14 Care Fund Calculator 2014/15 Care Fund Calculator 2015/16 2016/17	The costs of some long-term placements for people with learning disabilities and physical disabilities are very high. Using the Care Funding Calculator, a well established financial modelling tool, can assist with the negotiation or initial negotiation of these high cost packages and generate savings.	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	4	3	12					
7	2013/14 Transport 2014/15 Transport 2015/16 2016/17	Reducing usage by implementing eligibility criteria for provision of council-funded transport, rationalisation of the number of vehicles for day services, and ensuring that services are provided to meet the needs of the service users. Following a review, proposed savings levels may change following conclusion of that review.	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	3	3	9					
8	2013/14 Transitions 2014/15 Transitions 2015/16 2016/17	Reducing the cost of support for young people transitioning from Children's Social Care to Adult Social Care	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	4	3	12					
9	2013/14 Monitoring high value (1-to-1) and high cost placements 2014/15 Monitoring high value (1-to-1) and high cost placements 2015/16 2016/17	Reduction and monitoring of high value/high cost placements	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	Not applicable	4	3	12					
10	2013/14 Optimise block and spot contracts (additional ASC38) 2014/15 2015/16 2016/17	Optimising the use of block and spot contracts. Standardising rates through the development of an Approved Provider List will generate savings (additional - ASC38)	To meet budget savings	Equality analysis to be undertaken	Legal Services - negative impact	Not applicable	Not applicable	4	2	8					

SERVICE:		Adult Social Care										
Project	DESCRIPTION	2013/14		2014/15		2015/16		2016/17		Likelihood	Impact	Score
		MAJOR EXPECTED OUTCOME	Equalities	Other services (maximum of 3)	Sustainability	Impact OR	Sustainability					
FURTHER PLANNING ASSUMPTIONS												
BRIEF / Y DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS												
			11		11		11		11			
			12		12		12		12			
			13		13		13		13			
			14		14		14		14			
			15		15		15		15			
			16		16		16		16			
			17		17		17		17			
			18		18		18		18			
			19		19		19		19			
			20		20		20		20			
ACTION PLAN												
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT												
Project 20	2013/14 Even & Imagine MH contract (ASCS3) 2014/15 2015/16 2016/17 Amalgamation of two similar services into one service to avoid duplication and deliver efficiencies.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	2	1	2	2	2	8	
Project 11	2013/14 CADL's (complex equipment) - (ASCS6) 2014/15 2015/16 2016/17 New contract with an integrated Procurement Hub hosted by Crodon Council to deliver best value solutions and equipment price.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	3	1	3	3	8		
Project 13	2013/14 Brokerage Efficiency (ASCS4), Mental Health Placements (ASCS2) 2014/15 Mental Health Placements (ASCS2) Brokerage Efficiency Savings (CH03) 2015/16 Brokerage Efficiency Savings (CH03) 2016/17 Brokerage Care and support packages will be negotiated and brokered to deliver the best value solution based on assessed need.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	2	4	2	8		
Project 14	2013/14 2014/15 Restructuring Supporting People (CH11) 2015/16 2016/17 Continuing the mainstreaming of the procurement process and reducing overall expenditure within these contracts.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	2	4	2	8		
Project 15	2013/14 2014/15 Voluntary Sector grants - reduction in manufacture (ASCS1) 2015/16 2016/17 Delivering efficiencies through reduction in voluntary organisations' overheads and backoffice costs.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	2	4	2	8		
Project 16	2013/14 2014/15 Voluntary Organisations - SLA reduction (CH06) 2015/16 2016/17 Delivering efficiencies through reduction in voluntary organisations' overheads and back office costs, or reductions in demand for statutory services.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	2	4	2	8		
Project 17	2013/14 2014/15 Commissioning management restructure (ASCS2) 2015/16 2016/17 Streamlining commissioning and procurement process.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	3	1	3	1	3		
Project 18	2013/14 Procurement Efficiencies (ASCS3) 2014/15 Procurement Efficiencies (ASCS3) 2015/16 Procurement Opportunities (CH10) 2016/17 Procurement Opportunities (CH10) Delivering efficiencies through contract negotiations.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	2	4	2	8		
Project 19	2013/14 2014/15 Meals on wheels contract saving (ASCS3) 2015/16 2016/17 Delivering efficiencies through contract negotiations.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	2	4	2	8		
Project 20	2013/14 2014/15 Remodelling of residential service (ASCS4) 2015/16 2016/17 The service will be remodelled to reduce/eliminate down time and match hours more closely with customer needs.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	2	4	2	8		

Project	DESCRIPTION	MAJOR EXPECTED OUTCOME	FURTHER PLANNING ASSUMPTIONS					Risk Impact	Score
			BRIEF / DETAIL YOUR MAJOR WORK / PROGRESSING PROJECTS						
			2013/14	2014/15	2015/16	2016/17	2016/17		
			ACTION PLAN						
			DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT						
			Equalities	Other services (maximum of 3)	Sustainability	Likelihood	Impact	Score	
Project 21	2013/14 2014/15 Promoting Independence (CH02) 2015/16 Promoting Independence (CH02) 2016/17 Promoting Independence (CH02)	Reduced reablement - outcome care packages	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	3	12
Project 22	2013/14 2014/15 Promoting Independence (CH02) 2015/16 Promoting Independence (CH02) 2016/17 Promoting Independence (CH02)	Public Value Review - Efficiencies to be found in hospital discharge process and customers to be enabled to regain and maintain independence.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	2	8
Project 23	2013/14 Reviewed Service Packages (ASCS39) 2014/15 Reviewed Service Packages (ASCS46) 2015/16 2016/17	Review of care packages with a view to an overall average reduction in line with promoting independence.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	4	3	12
Project 24	2013/14 Careplan contract; budget reduction (ASCS7) 2014/15 2015/16 2016/17	Current budget for servicing hoists to be reduced.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	2	2	4
Project 25	2013/14 Monitoring high value (1:1) and high cost placements (domiliary) (ASCS10) 2014/15 2015/16 2016/17	Monitoring high value (1:1) and high cost placements (Domiliary).	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	5	3	15
Project 26	2013/14 2014/15 Additional Reablement Funding (PCT) - (ASCS7) 2015/16 2016/17	Additional one-off funding from PCT to support health related social care services.	To meet budget savings	No impact	No impact	Not applicable	3	2	6
Project 27	2013/14 2014/15 Access & Assessment staffing restructure (ASCS48 and CH04) 2015/16 2016/17 Access & Assessment staffing restructure (CH04)	Access and Assessment - staffing restructure.	To meet budget savings	Select one	No impact	Not applicable	4	2	8
Project 28	2013/14 2014/15 Transport efficiencyes;Transport (ASCS6 and CH09) 2015/16 2016/17	Day service staff to become responsible for collecting customers and taking them home.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	3	2	6
Project 29	2013/14 Direct Provisions - staffing restructure (ASCS1) 2014/15 Direct Provisions - staffing restructure (CH07 and ASCS20) 2015/16 2016/17	Direct Provisions - staffing restructure.	To meet budget savings	Select one	No impact	Not applicable	3	2	6
Project 30	2013/14 2014/15 2015/16 Below inflation uplift to third party supplier (CH01) 2016/17 Below inflation uplift to third party supplier (CH01)	Continue the below inflation uplift. This will be a total of 7 years at 0% or below inflation uplift.	To meet budget savings	Equally analysis to be undertaken	No impact	Not applicable	6	3	18

Project	DESCRIPTION	MAJOR EXPECTED OUTCOME	ACTION PLAN			Sustainability	Likelihood	Risk Impact	Score
			DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT						
			Equalities	Other services (maximum of 3)	IMPACT OR				
SERVICE: Adult Social Care									
BRIEF / DETAIL YOUR MAJOR WORK / PROPOSED PROJECTS									
			2013/14	2014/15	2015/16				
			31	31	31				
			32	32	32	Remodelling and re-procuring the domiciliary care service (CH09)			Realise benefits of new prevention programme (CH05)
			33	33	33				
			34	34	34				
			35	35	35				
			36	36	36				
			37	37	37				
			38	38	38				
			39	39	39				
			40	40	49				
Project 31	2013/14 2014/15 2015/16 2016/17 Realise benefits of new prevention programme (CH05) Realise benefits of new prevention programme in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to Voluntary Organisations.	To meet budget savings	Equally analysis to be undertaken	Select one	Select a service	Not applicable	4	2	8
Project 32	2013/14 2014/15 2015/16 2016/17 Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.	To meet budget savings	Equally analysis to be undertaken	Select one	No impact Select a service	Not applicable	4	2	8
Project 33	2013/14 2014/15 2015/16 2016/17	To meet budget savings	Select one	Select one	Select a service	Select one	0	0	0
Project 34	2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select one	Select a service	Select one	0	0	0
Project 35	2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select one	Select a service	Select one	0	0	0
Project 36	2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select one	Select a service	Select one	0	0	0
Project 37	2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select one	Select a service	Select one	0	0	0
Project 38	2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select one	Select a service	Select one	0	0	0
Project 39	2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select one	Select a service	Select one	0	0	0
Project 40	2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select one	Select a service	Select one	0	0	0

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Housing Needs and Enabling Services		DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:					Likelihood	Risk	
		Equalities	Select up to 3 services	Sustainability	Impact	Score			
2013/14 Respond to changes in Homelessness Law	To meet legislative requirements	Equally analysis to be undertaken	Adult Social Care - positive impact Children's Social Care - positive impact Housing Benefits - neutral impact	Not applicable	2	2	4		
2013/1 Shared Lives Optimisation	To meet budget savings	No impact	Adult Social Care - positive impact Commissioning, Strategy and Performance - positive impact Select a service	Not applicable	3	3	9		
2013/17 Deliver agreed actions arising from Target Operating Model	More efficient way of working	Equally analysis to be undertaken	Housing Needs and Enabling Services - positive impact Merton Link and Contact Centre - negative impact IT Service delivery - neutral impact	Not applicable	2	2	4		
2013/17 Maximise use of Private Rented Sector	More efficient way of working	No impact	Adult Social Care - positive impact Adult Social Care - positive impact Housing Benefits - positive impact	Not applicable	2	3	6		
2013/14 Social rented model for older and vulnerable owner-occupiers	More efficient way of working	Equally analysis to be undertaken	Adult Social Care - positive impact Select a service Select a service	Not applicable	1	1	1		
2013/14 Social enterprise for Private Rented Sector	More efficient way of working	No impact	Housing Benefits - positive impact Legal Services - positive impact Property - positive impact	Not applicable	1	1	1		
2013/14 Homelessness Strategy	To meet legislative requirements	Equally analysis to be undertaken	Adult Social Care - positive impact Children's Social Care - positive impact Select a service	Not applicable	1	3	3		
2013/14 Review Temporary Accommodation Strategy	More efficient way of working	Equally analysis to be undertaken	Housing Needs and Enabling Services - neutral impact Adult Social Care - positive impact Children's Social Care - positive impact	Not applicable	2	2	4		
2013/17 Liaison with MPH to ensure delivery of promises and transfer agreement	Income generation	No impact	Accountancy - positive impact Property - positive impact Legal Services - positive impact	Not applicable	2	2	4		

LIBRARIES									
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT									
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Sustainability	Likelihood	Risk		Score
		Equalities	Select up to 3 services				Impact		
2013/15 E-communications Strategy	Continue to channel shift communications through to digital methods: 1. Channel shift more customers towards receiving e-mail and SMS notifications; 2. Issue a quarterly customer e-newsletter; 3. Develop a library application for mobile phones; 4. Continue to develop library website	More efficient way of working	No impact	Libraries - positive impact Whole organisation - positive impact	Community outreach	2	2	4	
2013/15 Heritage projects	Monitor the Heritage Strategy and deliver expected outcomes. Complete Heritage Lottery Funded digitisation project (Merton Memories) and launch new heritage website. Increase income from heritage services by providing online sales facilities.	Improved customer satisfaction	No impact	Libraries - positive impact	Opportunity for sustainable education	2	2	4	
2013/16 Stock efficiency program	Complete Stock Team review and complete implementation of direct delivery of stock. Increase usage of automated stock procurement systems to drive down cost and improve the quality of stock selection.	Select one major outcome	Equally analysis undertaken	Libraries - positive impact Schools, Standards and Quality - positive impact	Other resource reduction	2	1	2	
2013/16 Children and Young People's projects	Introduce a universal library membership scheme for all school children and students in Merton. Increase engagement with young people by establishing youth panels at libraries.	Improved resident well being	Equally analysis undertaken	Libraries - positive impact Whole organisation - positive impact	Community outreach	2	2	4	
2013/17 Outreach and Community Engagement Plan	Deliver an annual outreach plan to increase usage of libraries. Conduct annual Public Library User Surveys (PLUS) and conduct research and engagement work with under represented groups and shape services accordingly.	Improved customer satisfaction	Equally analysis undertaken	Libraries - positive impact Whole organisation - positive impact	Community outreach	2	2	4	
2013/16 IT Projects	Complete rollout of wi-fi services and new public PCs. Implement new technology solution for staff workstations following review.	Improved customer satisfaction	No impact	Libraries - positive impact Whole organisation - positive impact	Opportunity for sustainable education	3	2	6	
2013/15 Assisted Digital Support	Increase volunteer numbers and skills in supporting customers with more complex IT needs. Increase partnership numbers to support the assisted digital agenda and link in with other council and partner services. Complete staff IT skills analysis and put development plans in place.	Improved resident well being	No impact	Libraries - positive impact Whole organisation - positive impact	Opportunity for sustainable education	2	1	2	
2015/16 Security services contract	Re-tender of contract and ongoing monitoring of current performance against contract.	More efficient way of working	No impact	Libraries - neutral impact	Not applicable	3	2	6	
2013/17 Library Redevelopments	Progress redevelopment plans at Wimbledon, Mitcham, Donald Hope and West Barnes libraries. Investigate co-location opportunities with other council services and partners.	Improved customer satisfaction	Equally analysis to be undertaken	Libraries - positive impact Property - positive impact	Not applicable	3	2	6	
2013/17 London Libraries Consortium	Work with LLC to improve systems and drive through efficiencies. Re-tendering of LLC contracts 2014/15.	More efficient way of working	No impact	Libraries - positive impact	District networks	3	2	6	

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DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Merton Adult Education		DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT						
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		Score	
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact		
2013/14 Service re-configuration to support delivering to a commercial model								
1 staff restructure to ensure roles are more aligned with increasing commercial income.	Income generation	No impact	Whole organisation - no impact	Not applicable	1	1	1	
2								
3								
4								
5								
6								
7								
8								
9								
10								

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Corporate Services Department

Business Improvement

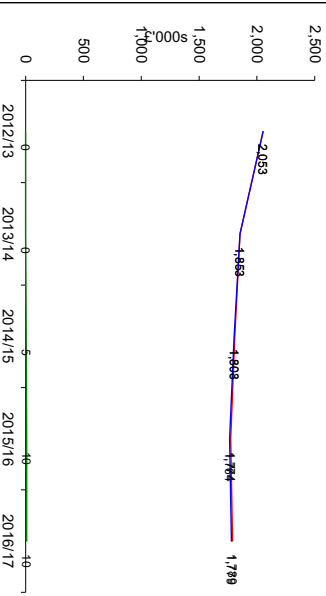
Cliff Mark Allison Cabinet Member for Finance

Enter a concise description of your main activities/objectives below:

Operate as a Centre of Excellence for project and programme management, raising the capacity of the organisation to consistently plan and deliver programmes successfully. Embed a culture of continuous business improvement within the organisation through the provision of tools, techniques advice and support – including but not limited to learn. Manage and deliver adhoc projects and programmes of work at the direction of CMT and M2015 Board.

I lead and deliver a coordinated programme of PVRs and reactive service reviews to deliver efficiencies and improve customer satisfaction. Operating as PMO, ensure that all transformational activity is directed and monitored through M2015 and CMT so that resources, dependencies, risks and issues are managed effectively and benefits – aligned to organisational objectives – are realised. Work with business and I&I to establish – under the direction of CMT – the strategic Establish a Technical Design Authority, ensuring the organisation takes a coordinated and planned approach to systems implementation that complies with and drives agreed corporate strategy, standards and supportability. Proactively advise businesses of opportunities to exploit emerging technologies and to leverage existing systems investments for improved business efficiency and service. Provide support to the business for operational and maintenance related tasks for applications including upgrades, housekeeping, periodic scheduled tasks and batch processing. Thus sustaining business continuity, availability, performance, and capability of the systems.

DEPARTMENTAL BUDGET AND RESOURCES



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	2,053	1,833	1,808	1,774	1,789
Employees	1,411	1,477	1,417	1,367	1,367
Premises	3	3	3	3	3
Transport	338	34	49	65	80
Supplies and Services	301	339	339	339	339
2ic Early Payments					
SUPPORT services					
Depreciation					
Income	0	0	5	10	10
Government grants					
Other reimbursements					
Customer and client receipts			5	10	10
Reserves					
Capital Funded					
NET BUDGET	2,053	1,833	1,803	1,764	1,779
Capital Budget					
Parking system	46				
Document management		170	570		
Customer contact		127	688		

PLANNING ASSUMPTIONS

Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development
Core Service requests (days)	4500	4400	3960	3520	3080	Customer demand - Internal	Customer Services Strategy	Learning & Dev.
Non-Core Service requests (days)	2000	2000	1800	1620	1450	Customer demand - Internal	ICT Policy	
PVRs (days)	300	600	600	600	300	Customer demand - Internal	Capital Programme	
Projects / programmes (days)	N/A	700	700	500	500	Customer demand - Internal		
Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		
Staff - programme office	7FTE	8FTE	5FTE	4FTE	4FTE	Economic		
Staff - systems improvement	24FTE	24FTE	24FTE	24FTE	24FTE	Economic		
Systems (No. supported)	150	145	130	100	95	Technological		

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2016/17	Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
Systems availability	N/A	80%	90%	90%	90%	High	Quarterly	Business critical	Reduced service delivery
Percentage of bespoke systems	55%	50%	40%	30%	30%	Low	Quarterly	Business critical	Increased costs
% systems Integrated (where required)	50%	60%	70%	80%	85%	High	Quarterly	Business critical	Reduced service delivery
% projects completed on time & within Budget	N/A	85%	85%	85%	85%	High	Quarterly	Quality	Political risk
Satisfaction with projects/interventions (where measured)	75%	85%	90%	90%	90%	High	Quarterly	Perception	Political risk
% teams with a working Info Centre	40%	75%	80%	85%	90%	High	Quarterly	Output	Reduced service delivery
Training courses delivered in MAP	0	4	4	4	4	High	Quarterly	Output	Poor decision making

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	PVR Programme	1	PVR Programme	1	PVR Programme	1	PVR Programme
2	IT strategy (refresh)	2	IT strategy	2	IT strategy	2	IT Strategy
3	Customer Contact Programme	3	Customer Contact Programme	3	Customer Contact Programme	3	Customer Contact Programme
4	GIS Strategy	4	GIS Strategy	4	GIS Strategy	4	GIS Strategy
5	Electronic Document and Records Management System	5	Electronic Document and Record Management System	5	Service review and Improvement programme	5	Service review and Improvement programme
6	Service review and Improvement programme	6	Service review and Improvement programme	6	System Architecture Implementation	6	System Architecture Implementation
7	System Architecture Design	7	System Architecture Implementation	7		7	
8	Portfolio design and implementation	8		8		8	
9		9		9		9	
10		10		10		10	

ACTIONS AND SAVINGS

	2013/14	2014/15	2015/16	2016/17
CS1	50	50	50	50
CS3	5	5	5	5
CS4	10			
Finance Comments (Capital Budget or otherwise)	65		55	0

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Business Improvement		MAJOR EXPECTED OUTCOME	IMPACT ON:			Likelihood	Risk		Score
PROJECT DESCRIPTION	Equalities		Select up to 3 services	Sustainability	Impact				
2013/16 PYR Programme									
1	Coordinate and lead 3-year programme of Public Value Reviews for all services.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9	
	2013/17 IT strategy (refresh)								
2	Refresh the IT strategy to ensure fit for purpose to support and enable delivery of TOMs and drive delivery against Merton 2015 and then coordinate and lead on delivery.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9	
	2013/16 Customer Contact Programme								
3	Lead and deliver CC programme; to deliver improvements (technology and service redesign) set out in CC Strategy.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	4	3	12	
	2013/15 GIS Strategy								
4	Review and implement GIS Strategy to support CC Programme.	Improved customer satisfaction	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	4	2	8	
	2013/15 Electronic Document and Records Management System								
5	Secure support for and implement a replacement EDRMS to support and enable flexible/remote working and Customer Contact.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	5	3	15	
	2013/16 Service review and improvement programme								
6	Proactive and reactive service reviews - under the direction of M2015B and CMT - to ensure business processes are efficient and customer-focused.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	2	6	
	2013/16 System Architecture Design								
7	Plan and define systems architecture and implement; incorporates establishing appropriate governance to manage and control implementation and maintenance.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - negative impact	Not applicable	5	3	15	
	2013/14 Portfolio design and implementation								
8	Clarify cross-cutting programmes and projects for governance by the Merton 2015 Board and ensure appropriate monitoring and control is in place to provide assurance on delivery and achievement of benefits.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - neutral impact	Not applicable	4	2	8	
	2013/14 Portfolio design and implementation								
9									
	2013/14 Portfolio design and implementation								
10									

Corporate Governance

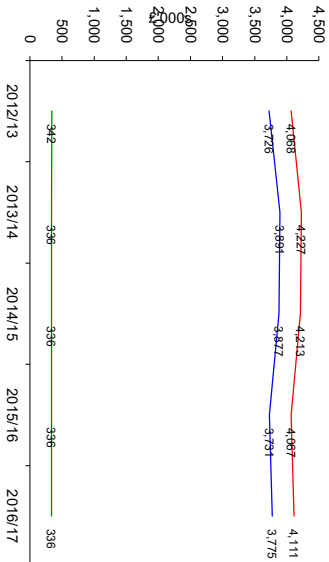
Cllr Mark Allison Cabinet Member for Finance

Enter a concise description of your main activities/objectives below:

Corporate Governance is made up of 7 core services:
Information Governance - manages complaints, WIP & 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.
Internal Audit - provides independent, objective appraisal of risk management, governance & internal control processes and fraud risks including planned & unplanned audits.
Safety Services - provides H&S, emergency planning & business continuity service.
Investigations - investigates allegations of fraud.
Democracy Services - maintains independent scrutiny function, support to Councilors & ensure council has robust decision making arrangements.
Electoral Services - 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 **Legal service** with the London Borough of Richmond.

DEPARTMENTAL BUDGET AND RESOURCES



	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget £'000s	4,068	4,227	4,213	4,067	4,111
Expenditure	2,347	2,396	2,337	2,232	2,232
Employees	5	5	5	5	5
Premises	25	26	26	27	27
Transport	1,350	1,346	1,390	1,349	1,392
Supplies and Services	0	0	0	0	0
3rd party payments	341	455	455	455	455
Support services	0	0	0	0	0
Depreciation	0	0	0	0	0
Income	342	336	336	336	336
Government grants	274	274	274	274	274
Other reimbursements	68	62	62	62	62
Customer and client receipts					
Reserves					
Capital funded	3,726	3,891	3,877	3,731	3,775
NET BUDGET	2012/13	2013/14	2014/15	2015/16	2016/17
Committee IT system	13				

PLANNING ASSUMPTIONS

	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development	
Anticipated demand	205,500	210,300	215,000	219,600	224,200	Customer demand - external	Corp Equality Scheme	Learning & Dev.	
Residents	4081	↓	↓	↓	↓	Customer demand - internal	Customer Services Strategy		
Officers	60	60	60	60	60	Customer demand driver	Risk Management Strategy		
Councillors						Selected demand driver	Information Governance Policy		
Anticipated supply	44.92	43.92	→	→	→	Key drivers of supply	Corp Procurement Strategy		
Staff (FTE)	6	8	8	8	8	Legal	Performance Management Framework		
Staff - LA/O	800	0	900	800	800	Legal	Civil Contingencies Plan		
Staff - Election	150	150	150	150	150	Legal	Central Government		
Staff - canvass									
Performance Indicator			Performance targets (indicate if % target)			Parity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
FOI - dealt with in time	90%	90%	95%	95%	95%	High	Monthly	Perception	Reduced customer service
Complaints - dealt with in time	95%	90%	95%	95%	95%	High	Monthly	Perception	Reduced customer service
Public participation in Scrutiny	700	500	700	700	700	High	Quarterly	Quality	Poor decision making
Audits completed against plan	90%	90%	90%	90%	90%	High	Quarterly	Business critical	Increased fraud
Audit actions implemented by agreed date	90%	90%	90%	90%	90%	High	Quarterly	Business critical	Increased fraud
BI sanction target / successful outcomes	70	70	SFIS	SFIS	SFIS	High	Monthly	Outcome	Increased fraud
Completed planned H&S inspections	60	60	60	60	60	High	Monthly	Outcome	Breach statutory duty
Priority A H&S actions completed on time	75%	75%	85%	90%	90%	High	Quarterly	Outcome	Breach statutory duty
No supplementary agendas issued	30	28	26	24	24	Low	Quarterly	Quality	Rework

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	2015/16	2016/17	Project	2015/16	2016/17
1	Implement new committee administration package	1	1	1	1	1	1	1
2	Prepare for new intake of Councilors	2	2	2	2	2	2	2
3	Full compliance with the Transparency agenda	3	3	3	3	3	3	3
4	Introduce more proactive fraud tests in internal audit work	4	4	4	4	4	4	4
5	Cross cutting audits relating to procurement and other matters	5	5	5	5	5	5	5
6	Prepare for individual electoral registration (IER), including data matching dry run	6	6	6	6	6	6	6
7	Prepare for 2014 council & European parliamentary elections	7	7	7	7	7	7	7
8	Move to a web based accident reporting system	8	8	8	8	8	8	8
9	Increase scope of Asbestos compliance	9	9	9	9	9	9	9
10	Prepare for new working arrangements under Single Fraud Initiative Service (SFIS)	10	10	10	10	10	10	10

ACTIONS AND SAVINGS

	2013/14	2014/15	2015/16	2016/17
24	CS54 (2012-15)	18	CS54(2012-15)	30
1	CS56 (2012-15)	1	CS56(2012-15)	35
14	CS59 (2012-15)	40	CS32	40
				CS33
				CS34
				86
				191
				0

Finance Comments (Capital Budget or otherwise)

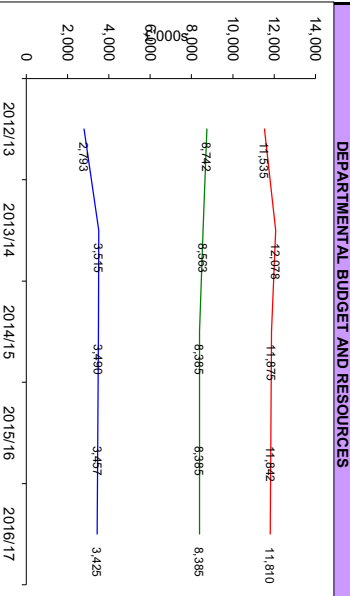
Corporate Governance		DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT						
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:					Risk	
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score	
2013/14 Implement new committee administration package Ensure that new system is fully embedded and staff trained for full implementation following annual Council meeting in May 2013	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	1	1	1
2013/15 Prepare for new intake of Councillors	Improved customer satisfaction	Equality analysis to be undertaken	Whole organisation - positive impact	Community outreach	1	1	1	1
2013/14 Full compliance with the Transparency agenda Undertake audit to ensure full compliance	To meet legislative requirements	No impact	Whole organisation - positive impact	Not applicable	3	1	3	3
2013/14 Introduce more proactive fraud tests in internal audit work To be included in Internal Audit work programmes and audit testing	Improved reputation	No impact	Whole organisation - positive impact Investigations - positive impact	Not applicable	3	2	6	6
2013/14 Cross cutting audits relating to procurement and other matters Internal Audit reviews to include cross cutting reviews of areas such as procurement, risk management etc	More efficient way of working	No impact	Whole organisation - positive impact Procurement - positive impact	Not applicable	3	1	3	3
2013/17 Administer Individual Electoral Registration / Data Test Matching. Prepare for, implement, canvass and hold first election under Individual Electoral Registration / Data test Matching.	To meet legislative requirements	Equality analysis to be undertaken	Local Taxation - negative impact Parking - negative impact IT Service delivery - negative impact	Not applicable	1	3	3	3
2013/15 Prepare for, & implement Council & European parliamentary elections	To meet legislative requirements	No impact	Communications - negative impact Democracy Services - negative impact Mention Link and Contact Centre - negative impact	Not applicable	1	3	3	3
2013/14 Move to a web based accident reporting system Introduction of a web based accident reporting system to improve reporting and preventative measures implemented. This will be shared with Sutton and Kingston as part of the Trinity project outcomes and will allow us to benchmark in the future	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	4	2	8	8
2013/14 Increase scope of Asbestos compliance To include all corporate premises and schools	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	3	3	9	9
2013/15 Prepare for & implement changes to Single Fraud Initiative.	To meet legislative requirements	No impact	Whole organisation - positive impact	Not applicable	2	2	4	4

Customer Services

CLT Mark Betheridge Cabinet Member for Performance & Implementation
 Enter a concise description of your main activities/objectives below:
 There are 5 core services:

- Local Taxation** - responsible for Council Tax & Business Rates collection, Debt recovery & Bailiff collection services;
- 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 Transition Services;
- Registrars** - responsible for registration of births & deaths, marriages & civil partnerships, citizenship ceremonies & nationally 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.

DEPARTMENTAL BUDGET AND RESOURCES



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget	11,535	12,078	11,875	11,842	11,810
Expenditure	5,314	5,566	5,396	5,365	5,335
Employees	63	39	39	39	39
Furnishes	74	74	74	74	74
Transport	3,333	3,318	3,285	3,283	3,281
Supplies and Services	106	325	325	325	325
3rd party payments	2,642	2,753	2,753	2,753	2,753
Support services	3	3	3	3	3
Depreciation					
Income	8,742	8,563	8,385	8,385	8,385
Government grants	1,809	1,826	1,828	1,828	1,828
Other reimbursements	1,030	930	930	930	930
Customer and client receipts	5,903	5,807	5,627	5,627	5,627
Reserves					
Capital Funded	2,793	3,515	3,490	3,457	3,425
NET BUDGET	2,793	3,515	3,490	3,457	3,425
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17

PLANNING ASSUMPTIONS

Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service	Workforce Development	
Benefit claimants	16,000	14,000	14,000	14,000	14,000	Customer demand - external	Customer Services Strategy	Learning & Dev.	
Telephone callers	400,000	500,000	600,000	600,000	600,000	Customer demand - external	Homelessness Strategy		
Face to face customers	130,000	115,000	100,000	90,000	90,000	Customer demand - external	Medium Term Financial Strategy		
CTax properties	81,000	82,000	82,500	83,000	83,000	Customer demand - external	Social Inclusion Strategy		
Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply			
Staff (FTE)	148.06	↓	↓	→	→	Economic			
Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
Business Rates collected	97%	97%	97.25%	97.50%	97.5%	High	Monthly	Business critical	Loss of income
Merton Bailiff Services files paid in full	58%	58%	58%	58%	58%	High	Monthly	Outcome	Loss of income
HB - COC & new claims processing days	16	16	9	9	9	Low	Monthly	Business critical	Customer hardship
HB overpayments with no recovery action	16%	15.50%	15%	14.50%	14.5%	Low	Quarterly	Outcome	Loss of Government grant
Customers seen in 30 minutes	90%	92%	95%	95%	95%	High	Monthly	Perception	Increased waiting times
Calls answered by switchboard in 5 rings	85%	85%	85%	85%	85%	High	Monthly	Perception	Increased waiting times
Number of events (marriages, civil p's)	900	1000	1100	1200	1200	High	Monthly	Business critical	Reduced service access
Successful website visits	83%	83%	84%	84%	→	High	Monthly	Perception	Reduced uptake of service

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Customer Service Review	1	Customer Service Review	1		1	
2	Improve access to online services	2	Improve access to online services	2		2	
3	First call resolution software	3		3		3	
4	Localism agenda for business rates	4		4		4	
5	Council Tax discounts/exemptions	5		5		5	
6	Council tax support scheme	6	Council tax support scheme	6		6	
7	Implement Welfare Assistance Scheme	7	Review Welfare Assistance Scheme	7		7	
8		8	Appoint a Medical Examiner	8		8	
9		9		9		9	
10		10		10		10	

Revenue Budget £'000s	2013/14	2014/15	ACTIONS AND SAVINGS			
			2013/14	2014/15	2015/16	2016/17
Revenue Budget	11,535	12,078	50	CS12 (2012-15)	10	CS36
Expenditure	5,314	5,566	31	CS13 (2012-15)	30	CS39
Employees	63	39	31	CS35		
Furnishes	74	74	20	CS36		
Transport	3,333	3,318	20	CS37		
Supplies and Services	106	325	30	CS38		
3rd party payments	2,642	2,753	30	CS39		
Support services	3	3	20	CS40		
Depreciation						
Income	8,742	8,563				
Government grants	1,809	1,826				
Other reimbursements	1,030	930				
Customer and client receipts	5,903	5,807				
Reserves						
Capital Funded	2,793	3,515	231		40	40
NET BUDGET	2,793	3,515				
Capital Budget	2012/13	2013/14	Finance Comments (Capital Budget or otherwise)			

Customer Services		DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:					Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score		
2013/15 Customer Service Review									
1 Once options appraisal has been completed and detailed decisions regarding implementation timetable decided roll out of project will commence. 2013/16 Improve access to online services	More efficient way of working	Equally analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	2	6		
2 Maintain successful visits to the website at 83% - improve the look and feel of the website - implement the recommendations of the customer services review, increase uptake of online transactions.	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	2	2	4		
3 2013/14 First call resolution software This is linked to the Customer Service Review and will commence with - Phase 1 - investigate enhancing current software - Phase 2 - review software against aims/objectives - Phase 3 - implement.	Improved customer satisfaction	Equally analysis to be undertaken	Whole organisation - positive impact	Not applicable	2	2	4		
4 2013/14 Localism agenda for business rates Implement business rates retention scheme - review collection and administration processes to maximise income. Review discretionary reliefs, and notify any changes by April 13 - Monitor collection and performance.	To meet legislative requirements	No impact	Whole organisation - positive impact	Not applicable	2	4	8		
5 2013/14 Council Tax discounts/exemptions 12/13 new discounts proposed and agreed by Cabinet - implement changes from April 2013 Review changes and impact during 2013/14.	To meet legislative requirements	No impact	Whole organisation - negative impact	Not applicable	2	2	4		
6 2013/16 Council tax support scheme New scheme has been proposed and awaiting full Council decision. 13/14 Secure new software & implement in line with government framework & legislation. 14/15 & 15/16 Review and revise scheme.	To meet legislative requirements	Equally analysis to be undertaken	Housing Needs and Enabling Services negative impact Local Taxation - negative impact	Not applicable	2	3	6		
7 2013/15 Implement & review Welfare Assistance Scheme 2014/15 Appoint a Medical Examiner	Improved resident well being	Equally analysis undertaken	Adult Social Care - neutral impact Housing Needs and Enabling Services neutral impact	Select one	3	2	6		
8 The Council will need to appoint a medical examiner for registration of deaths	To meet legislative requirements	No impact	Whole organisation - neutral impact	Not applicable	2	2	4		
9									
10									

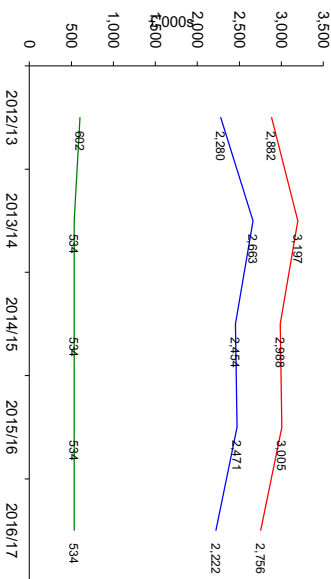
Human Resources

Cliff Mark Allison Cabinet Member for Finance

Enter a concise description of your main activities/objects below:

- 1) Support effective people management across the organisation
- 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

DEPARTMENTAL BUDGET AND RESOURCES



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	2,882	3,197	2,966	3,005	2,766
Employees	2,030	2,295	2,066	2,066	1,846
Premises	17	17	18	19	20
Transport	7	7	7	7	7
Supplies and Services	238	236	249	256	262
3rd party payments	108	109	115	122	88
Support services	482	533	533	533	533
Depreciation					
Income	602	534	534	534	534
Government grants					
Other reimbursements					
Customer and client receipts	602	534	534	534	534
Reserves					
Capital Funded					
NET BUDGET	2,280	2,663	2,454	2,471	2,222
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17

PLANNING ASSUMPTIONS

Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development
5,000 employees in Merion for HR, payroll, advice, L&D, EAP etc	4,800	4,600	4,400	4,400	4,400	Customer demand - internal	Workforce Development Plan	Ageing workforce
200 new recruits to be appointed	180	160	160	160	160	Customer demand - external	Economic Development Strategy	
Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Select demand driver		
Staff (Apprentices)	24	25	26	27	28	Key drivers of supply	Social	
Staff (Trainees)	4	4	4	4	4	Social		

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	2014/15	2015/16	2016/17	Project	2015/16	2016/17
1 Agency workers supply	1	1			Project		
2 E-recruitment	2	2			Project		
3	3	3			Occupational Health service		
4	4	4			Employee Assistance programme		
5	5	5			Leadership and management development		
6	6	6			Recruitment - agency and executive search via the LBRP		
7	7	7					
8	8	8					
9	9	9					
10	10	10					

ACTIONS AND SAVINGS

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	2,882	3,197	2,966	3,005	2,766
Employees	2,030	2,295	2,066	2,066	1,846
Premises	17	17	18	19	20
Transport	7	7	7	7	7
Supplies and Services	238	236	249	256	262
3rd party payments	108	109	115	122	88
Support services	482	533	533	533	533
Depreciation					
Income	602	534	534	534	534
Government grants					
Other reimbursements					
Customer and client receipts	602	534	534	534	534
Reserves					
Capital Funded					
NET BUDGET	2,280	2,663	2,454	2,471	2,222
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17

Finance Comments (Capital Budget or otherwise)

Human Resources		DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT						
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Likelihood	Risk Impact	Score	
		Equalities	Select up to 3 services	Sustainability				
2013/14 Agency workers supply								
1 Development of new HR policies	To meet budget savings	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9	
2013/14 E-recruitment								
2 Review of HR business partner	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	2	2	4	
2014/15 Occupational Health service								
3	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9	
2014/15 Employee Assistance programme								
4 Flexible working - policy development and learning and development to support culture change and technical change	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	4	12	
2014/15 Leadership and management development								
5 Centralisation of L&D and Development of L&D and appraisal systems within Trent	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9	
2015/16 Recruitment - agency and executive search via the LBRP								
6	More efficient way of working	Equality analysis undertaken	Whole organisation - positive impact	Not applicable	3	3	9	
7								
8								
9								
10								

Infrastructure and Transactions

Cliff Mark Allison Cabinet Member for Finance

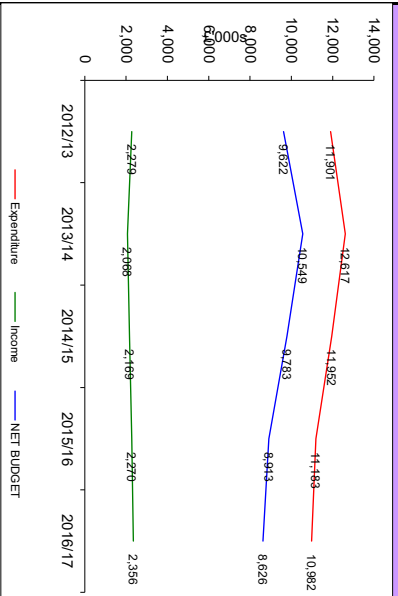
Enter a concise description of your main activities/objectives below:

Infrastructure and Transactions (I&T) is made up of three functions:

IT and telecommunication services to support the councils operations using infrastructure, assets, service desk facilities, IT governance and ensuring data security.

Facilities Management provide the infrastructure to deliver services through accommodation, building maintenance, energy management, cleaning, catering, print room and post-room services, security and other associated FM services. Carry out development projects and generate external income through service provision to external clients (LBM schools, other authority schools and other authorities).

Transactional Services incorporates Account Payable, Accounts Receivable, Carefirst Admin and Vendor Maintenance. Ensure prompt and accurate payment for all goods and services provided to LBM. Raise and issue invoices promptly and accurately to maximise revenue received. Maintain accurate records re client contributions on Carefirst to enhance correct invoicing and reduce queries. Vendor Maintenance database is controlled, accurate and cleansed. Providing training and support for all users of the systems required for payments or invoicing.



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	11,901	12,617	11,952	11,183	11,982
Employees	3,212	3,304	3,207	3,099	3,041
Premises	2,936	3,287	2,778	2,140	2,026
Transport	39	40	35	35	36
Supplies and Services	2,982	3,087	3,040	3,014	2,981
3rd Party Payments	272	274	277	280	283
SUPPORT services	866	930	930	930	930
Depreciation	1,674	1,685	1,685	1,685	1,685
Income	2,279	2,068	2,169	2,270	2,356
Government grants					
Other reimbursements					
Customer and client receipts	2,279	2,068	2,169	2,270	2,356
Reserves					
Capital Funded					
NET BUDGET	9,622	10,549	9,783	8,913	9,626
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17
IT Systems	1,826	2,004	224	1,525	1,672
Cloud computing	243				
FM works	851	3,690	650	850	1,000

PLANNING ASSUMPTIONS

Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development
Repairs & maintenance - corporate buildings	600k	630k	661k			Customer demand - Internal	ICT Policy	Learning & Dev.
Fix or Fail Calls	13,000	12,000	12,000	12,000	12,000	Customer demand - Internal	Corp Procurement Strategy	
Statutory work requests (hours)	1,820	1,820	1,820	1,820	1,820	Customer demand - Internal	Asset Management Plan	
Transactions requested by departments	90,000	80,000	75,000	70,000	70,000	Customer demand - Internal		
Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		
Staff (FTE)	82.7	79.7	78.7	78.7	78.7	Economic		

Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
	2012/13	2013/14	2014/15	2015/16	2016/17				
Repairs & Maintenance reactive v planned	60/40	50/50	40/60	30/70	30/70	Low	Annual	Outcome	Increased costs
No. of staff working from civic centre	1250	1275	1300	1400	1400	High	Quarterly	Outcome	Increased costs
Total external fee income	150,000	175,000	200,000	225,000	225,000	High	Quarterly	Outcome	Loss of income
Calls logged through Self Service	40%	50%	65%	80%	80%	High	Monthly	Outcome	Reduced uptake of service
Measure & improve first time fix rates for fault	62%	65%	69%	75%	75%	High	Monthly	Outcome	Reduced customer service
Improve customer satisfaction results - SRF	93%	93%	94%	94%	94%	High	Monthly	Perception	Reduced customer service
Proactive payment requests paid within 30 days	94%	95%	96%	97%	97%	High	Monthly	Business critical	Reduced service delivery
Proactive service paid in 30 days of receipt by LBM	89%	91%	93%	95%	95%	High	Monthly	Business critical	Reduced service delivery
Carefirst invoices paid in 30 days from invoice date	87%	88%	89%	90%	90%	High	Monthly	Business critical	Increased waiting times

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Replacement of desktop equipment	1	Replacement of desktop equipment	1		1	
2	Cloud computing project	2		2		2	
3	Replacement of Civic Centre PABX	3		3		3	
4	Consolidation of operational buildings	4	Consolidation of operational buildings	4		4	
5	Civic Centre refurbishment project	5	Civic Centre refurbishment project	5		5	
6	Centralising ASH functions into Transactional Services team	6		6		6	
7		7		7		7	
8		8		8		8	
9		9		9		9	
10		10		10		10	

ACTIONS AND SAVINGS

	2013/14	2014/15	2015/16	2016/17	
CS22 (2012-2015)	15	CS37 (2012-2015)	60	CS5	50
CS37 (2012-2015)	29	CS6	10	CS7	20
CS39 (2012-2015)	34	CS6	10	CS8	20
CS43 (2012-2015)	10	CS7	24	CS10	20
	18	CS9	30	CS17	37
	5	CS11	24	CS12	30
	4	CS13	100	CS18	50
	35	CS14	45	CS20	20
	35	CS16	15	CS21	
	100	CS19	35	CS22	
	46	CS24	30	CS23	
	39	CS26	50	CS25	
	10	CS28	20	CS27	
	200	CS29		CS28	
Finance Comments (Capital Budget or otherwise)	578		453		217

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Infrastructure and Transactions		MAJOR EXPECTED OUTCOME	IMPACT ON:			Sustainability	Likelihood	Risk		Score
PROJECT DESCRIPTION	Equalities		Select up to 3 services		Impact					
1	2013/15 Replacement of desktop equipment Replacement of desktop equipment to standardise operating systems and office to enable hot desking, mobile and flexible working through the use of the Virtualised Desktop Infrastructure and Unified Communications.	IT systems	No impact	Whole organisation - positive impact	Impact on building emissions	3	2	6		
2	2013/14 Cloud computing project Implementation of cloud computing project	Cloud co	No impact	Whole organisation - positive impact	Impact on building emissions	3	2	6		
3	2013/14 Replacement of Civic Centre PABX	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	3	2	6		
4	2013/16 Consolidation of operational buildings	To meet budget savings	Equally analysis to be undertaken	Children's Social Care - positive impact Property - positive impact	Impact on building emissions	2	3	6		
5	2013/16 Civic Centre refurbishment project 12/13 staff from Worsfold House and Athena House to be relocated to the Civic Centre. 2013/14 Centralising ASH functions into Transactional Services team	To meet budget savings	Equally analysis to be undertaken	Children's Social Care - positive impact Youth and Inclusion - positive impact	Impact on building emissions	2	3	6		
6		More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	3	2	6		
7										
8										
9										
10										

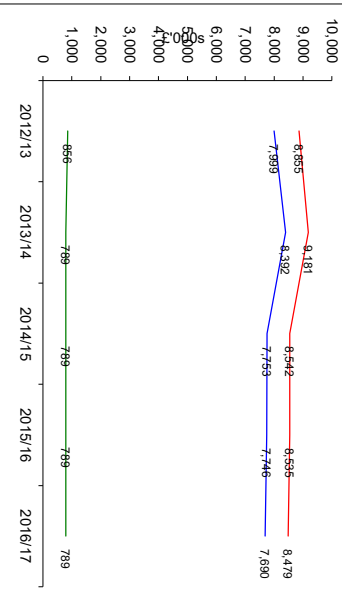
Resources

Cliff Mark Allison Cabinet Member for Finance

Enter a concise description of your main activities/objectives below:

Resources is made up of four 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, reporting & monitoring, council's day to day cash flow, insurance services, treasury management & pensions. Over the next four years we will transform by improving use of technology and reviewing how information is stored in our financial systems.
Business Planning - manage Financial Strategy & Capital Monitoring, Business & Service Planning, Performance Management (PM) & Risk Management, developing key 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 strategy, 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 LSCs.

DEPARTMENTAL BUDGET AND RESOURCES



PLANNING ASSUMPTIONS

Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce
Budget managers	200	↓	↓	↓	↓	Customer demand - Internal	Asset Management Plan	Aging workforce
Senior officers	50	→	→	→	→	Customer demand - Internal	Capital Programme	Learning & Dev.
Members	60	→	→	→	→	Customer demand - Internal	Central Government	
Voluntary sector	150+	→	→	→	→	Customer demand - Internal	Corp Equality Scheme	
Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		
Staff (FTE)	67.1	67.2	67.2	67.2	64.2	Economic	Medium Term Financial Strategy	
Staff (Trainees)	5.0	5.0	5.0	5.0	5.0	Economic	Risk Management Strategy	
							Treasury Management Strategy	
							Voluntary Sector Strategy	

Performance Indicator	Performance targets (Indicate if % target)					Polarity	Reporting cycle	Indicator type	Impacts (if performance indicator not met)
	2012/13	2013/14	2014/15	2015/16	2016/17				
Spend overseen by Procurement Board	25%	30%	30%	35%	40%	High	Quarterly	Quality	Poor decision making
No of adjustments to accounts	0	0	0	0	0	Low	Annual	Business critical	Government Intervention
Managers budget forecast rec'd	75%	80%	85%	90%	95%	High	Monthly	Outcome	Poor decision making
Capital spend forecast variance at end of year	5%	5%	5%	5%	5%	Low	Annual	Outcome	Poor decision making
Risk action plans in place	90%	90%	90%	90%	90%	High	Quarterly	Outcome	Poor decision making
Compliance with corporate PM timetable	100%	100%	100%	100%	100%	High	Monthly	Outcome	Poor decision making
Residents agree people get on well together	89%	90%	91%	92%	92%	High	Annual	Perception	Reputational risk
Unallocated/identified balances over 3 days old	0	0	0	0	0	Low	Monthly	Business critical	Loss of income
Satisfaction with Procurement training	80%	85%	85%	85%	85%	High	Quarterly	Quality	Poor decision making

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Evaluation of future funding levels	1	Evaluation of future funding levels	1	Evaluation of future funding levels	1	Evaluation of future funding levels
2	Improve Joint Finance and Business Plan Monitoring	2	Improve Joint Finance and Business Plan Monitoring	2	Improve Joint Finance and Business Plan Monitoring	2	Improve Joint Finance and Business Plan Monitoring
3	Review Financial Systems	3	Review Financial Systems	3	Review Financial Systems	3	Review Financial Systems
4		4	Evaluation of Differing Methods of Funding the Capital Programme	4	Evaluation of Differing Methods of Funding the Capital Programme	4	
5		5	Develop and Implement a Whole Life Costing System	5	Develop and Implement a Whole Life Costing System	5	
6	Working with BI looking at ways of improving capital project management	6		6		6	
7	Developing in year and multi-year budget management	7		7		7	
8	Purchase and implement an IT based capital accounting system	8		8		8	
9	Introduce new performance and risk management system.	9		9		9	
10		10		10		10	

ACTIONS AND SAVINGS

	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget £'000s	8,985	9,181	8,542	8,535	8,479
Expenditure	3,944	4,029	3,835	3,830	3,827
Employees	91	102	104	107	108
Premises	4	4	4	4	4
Transport	3,834	4,199	3,652	3,647	3,692
Supplies and Services	239	24	24	24	25
3rd party payments	743	823	823	823	823
Support services					
Depreciation					
Income	789	789	789	789	789
Government grants					
Other reimbursements					
Customer and client receipts	856	789	789	789	789
Reserves					
Capital Funded	7,999	8,392	7,753	7,746	7,690
NET BUDGET	2012/13	2013/14	2014/15	2015/16	2016/17
Capital Budget					
IT Systems	261	1,000	1,000	1,000	500
Acquisitions	1,000	1,000	1,000	1,000	
Bidding Fund					

Finance Comments (Capital Budget or otherwise)

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DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Resources		IMPACT ON:						
PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME	Equalities	Select up to 3 services	Sustainability	Likelihood	Risk Impact	Score
2013/17	Evaluation of future funding levels	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	2	2	4
2013/17	Improve Joint Finance and Business Plan Monitoring	To meet budget savings	No impact	Whole organisation - positive impact	Not applicable	2	2	4
2013/17	Review Financial Systems	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	2	2
2014/16	Evaluation of Differing Methods of Funding the Capital Programme	Improved reputation	No impact	Whole organisation - positive impact	Not applicable	2	2	4
2014/16	Develop and Implement a Whole Life Costing System	Improved customer satisfaction	No impact	Whole organisation - positive impact	Community outreach	3	2	6
2013/14	Working with BI looking at ways of improving capital project management	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	2	1	2
2013/14	Developing in year and multi-year budget management	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	2	2
2013/14	Purchase and Implement an IT based capital accounting system	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	2	2
2013/14	Introduce new performance and risk management system.	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	1	1
2013/14								
2013/14								

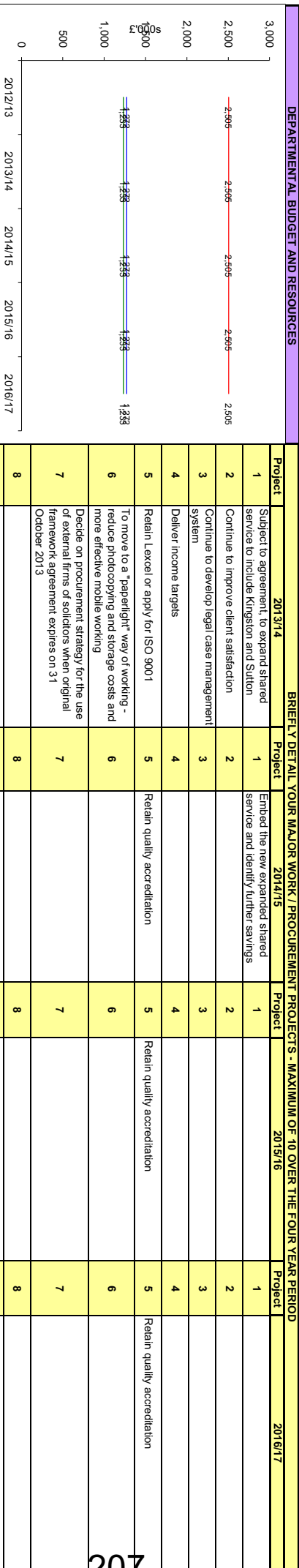
Shared Legal Services

Cllr Mark Allison Cabinet Member for Finance

Enter a concise description of your main activities/objectives below:

This is a shared legal service with the London Borough of Richmond. The service delivers legal advice, support and representation to all services across both councils. We also provide advice in relation to the constitution and decision making in both councils and advice to members in relation to their roles. The Monitoring Officer is a statutory role. There will continue to be a shared service over the coming 4 years. Subject to agreement this may expand to share with one or more neighbouring authorities.

		PLANNING ASSUMPTIONS							Corporate strategies your service contributes to		Workforce Development
		2012/13	2013/14	2014/15	2015/16	2016/17			2015/16	2016/17	
Anticipated demand	Chargable hours for Merton	18602	18202	18202	18202	18202	Provision of shared services				
	Chargable hours for Richmond	18602	18202	18202			Provision of shared services				
Anticipated supply	Staff (FTE)	40.58	40.58	↓	↓	↓	Key drivers of supply				
	Staff (Trainees)	1	4	→	→	→	Economic Economic				
Performance Indicator	Chargable Hours	37204	36404	36404	↓	↓	High	Monthly	Business critical	Increased costs	
	Reduce photocopying costs	N/A	10%	10%	↓	↓	Low	Quarterly	Business critical	Increased costs	
	Reduce storage costs	N/A	20%	10%	↓	↓	Low	Quarterly	Business critical	Increased costs	
BRIEFLY DETAIL YOUR MAJOR WORK/PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD											
Project	2013/14	Project	2014/15	2015/16	2016/17	Project	2015/16	2016/17	Project	2016/17	
1	Subject to agreement, to expand shared service to include Kingston and Sutton	1	Embed the new expanded shared service and identify further savings	1	1	1	High	Monthly	Business critical	Increased costs	
2	Continue to improve client satisfaction	2				2	Low	Quarterly	Business critical	Increased costs	
3	Continue to develop legal case management system	3				3	Low	Quarterly	Business critical	Increased costs	
4	Deliver income targets	4				4					
5	Retain L excel or apply for ISO 9001	5	Retain quality accreditation			5			Retain quality accreditation		
6	To move to a "paperlight" way of working - reduce photocopying and storage costs and more effective mobile working	6				6					
7	Decide on procurement strategy for the use of external firms of solicitors when original framework agreement expires on 31 October 2013	7				7					
8		8				8					
9		9				9					
10		10				10					



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS	
Expenditure	2,505	2,505	2,505	2,505	2,505	2013/14	2014/15
Employees	2,039	2,039	2,039	2,039	2,039		
Premises	4	4	4	4	4		
Transport	3	3	3	3	3		
Supplies and Services	209	209	209	209	209		
3rd party payments							
Support services	250	250	250	250	250		
Depreciation							
Income	1,233	1,233	1,233	1,233	1,233		
Government grants							
Other reimbursements	1,098	1,098	1,098	1,098	1,098		
Customer and client receipts	135	135	135	135	135		
Reserves							
Capital Funded							
NET BUDGET	1,272	1,272	1,272	1,272	1,272	0	0
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)	
						0	0

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Shared Legal Services		MAJOR EXPECTED OUTCOME		IMPACT ON:		Sustainability		Risk		Score
PROJECT DESCRIPTION		Equalities		Select up to 3 services				Likelihood		Impact
1	2013/15/4 Subject to agreement, to expand shared service to include Kingston and Sutton 2014/15 Embed the new expanded shared service and identify further savings	To meet budget savings	No impact	Whole organisation - positive impact Legal Services - positive impact	Not applicable	3	2	6		
2	2013/14 Continue to improve client satisfaction	Improved customer satisfaction	No impact	Whole organisation - positive impact Legal Services - positive impact	Not applicable	3	3	9		
3	2013/14 Continue to develop legal case management system To enhance performance management information and increase efficiency for legal officers 2014 -16	More efficient way of working	No impact	Whole organisation - positive impact Legal Services - positive impact	Not applicable	2	1	2		
4	2013/14 Deliver income targets Through hard charging mechanism	Income generation	No impact	Whole organisation - positive impact Legal Services - positive impact	Not applicable	2	2	4		
5	2013/14 Retain Lexcel or apply for ISO 9001 2014/17 Retain quality accreditation	Improved reputation	No impact	Whole organisation - positive impact Legal Services - positive impact	Not applicable	2	1	2		
6	2013/14 To move to a "paperlight" way of working - reduce photocopying and storage costs and more effective mobile working	More efficient way of working	No impact	Whole organisation - positive impact Legal Services - positive impact	Not applicable	2	1	2		
7	2013/14 Decide on procurement strategy for the use of external firms of solicitors when original framework agreement expires on 31 October 2013 Can extend for up to a further three years or can withdraw.	Improved customer satisfaction	No impact	Commercial and Procurement - neutral impact	Not applicable	2	1	2		
8										
9										
10										

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Environment and Regeneration Department

Commercial Waste

City Mark Betteridge Cabinet Member for Performance & Implementation
Enter a concise description of your main activities/objectives below:

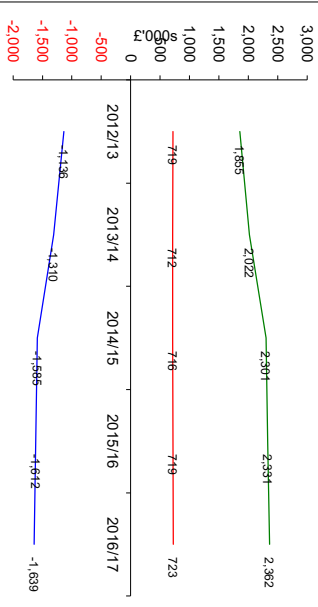
Commercial Waste & Recycling, Collection & Disposal directly from local businesses. Under government legislation the council has a duty to arrange for the collection of commercial waste when requested to do so. The Act defines commercial waste as: "waste from premises used wholly or mainly for the purposes of a trade or business or the purposes of sport, recreation or entertainment".

Pest Control Service: Legislation requires that local authorities undertake enforcement for the purposes of controlling rats and mice. Owners / tenants have discretion on pest control providers. Marton is able to offer its residents and businesses a good quality, competitively priced service using fully qualified officers.

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 and pest control, looking at the marketing of the services and pricing structure.

DEPARTMENTAL BUDGET AND RESOURCES



	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget £'000s	719	712	716	719	723
Expenditure	406	401	401	401	401
Employees	6	6	6	6	6
Premises	206	209	212	215	215
Transport	62	62	63	63	64
Supplies and Services	0	0	0	0	0
3rd party payments	38	36	36	36	36
Support services	1	1	1	1	1
Depreciation					
Income	1,855	2,022	2,301	2,331	2,362
Government grants	0	0	0	0	0
Other reimbursements	0	0	0	0	0
Customer and client receipts	1,855	2,022	2,301	2,331	2,362
Reserves	0	0	0	0	0
Capital Funded	0	0	0	0	0
NET BUDGET	-1,136	-1,310	-1,586	-1,612	-1,638
Capital Budget					

PLANNING ASSUMPTIONS

	2012/13	2013/14	2014/15	2015/16	2016/17	Corporate strategies your service contributes to	Workforce Development		
Anticipated demand									
Residual contracts	731	983	1183	1333	1403	Waste Management Plan	Sickness		
Dry recycling contracts	508	643	993	1354	1724	Climate Change Strategy	Learning & Dev.		
Commercial pest control work	1163	1213	1273	1338	1408	Customer demand - external			
Anticipated supply						Key drivers of supply			
Staff	13	13	13	13	13	Economic			
Transport	6	6	6	6	6	Economic			
Performance Indicator						Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
Total income from commercial waste	£1.4m	£1.45m	£1.5m	£1.6m	£1.65m	High	Monthly	Business critical	Loss of income
% contracts with a recycling element	40	45	50	55	56	High	Monthly	Outcome	Loss of income
Pest Control Income	£150,000	£155,000	£160,000	£165,000	£170,000	High	Monthly	Business critical	Environmental issues
% Commercial waste contract cancellations	10	9	8	7	7	Low	Quarterly	Outcome	Loss of income
% Market share of commercial waste	26	30	34	37	39	High	Quarterly	Outcome	Loss of income

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Double shifting vehicles	1		1		1	
2	Review pricing structure	2		2		2	
3	Amalgamate evening resources	3		3		3	
4	Improve customer account management and backdesk IT systems	4		4		4	
5	Public value review between July 2013 to December 2013	5		5		5	
6	Introduce timed commercial waste collections in town centres	6		6		6	
7		7		7		7	
8		8		8		8	
9		9		9		9	
10		10		10		10	

ACTIONS AND SAVINGS

	2013/14	2014/15	2015/16	2016/17
Revenue Budget	719	712	716	719
Expenditure	406	401	401	401
Employees	6	6	6	6
Premises	206	209	212	215
Transport	62	62	63	64
Supplies and Services	0	0	0	0
3rd party payments	38	36	36	36
Support services	1	1	1	1
Depreciation				
Income	1,855	2,022	2,301	2,331
Government grants	0	0	0	0
Other reimbursements	0	0	0	0
Customer and client receipts	1,855	2,022	2,301	2,331
Reserves	0	0	0	0
Capital Funded	0	0	0	0
NET BUDGET	-1,136	-1,310	-1,586	-1,612
Capital Budget				
Finance Comments (Capital Budget or otherwise)				

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Commercial Waste		IMPACT ON:				Risk		Score
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	Equalities	Select up to 3 services	Sustainability	Likelihood	Impact		
2013/14 Double shifting vehicles								
1 Same vehicles are used all day so no downtime and potentially less vehicles required	More efficient way of working	No impact	Commercial Waste - positive impact	Impact on transport emissions	2	2	4	
2013/14 Review pricing structure								
2 Look at more competitive pricing and ways of making the council able to compete with the commercial market	Income generation	No impact	Commercial Waste - positive impact	Not applicable	3	2	6	
2013/14 Amalgamate evening resources								
3 Looking at combining all evening resources (recycling and residual commercial and town centre)	More efficient way of working	No impact	Commercial Waste - positive impact	Impact on transport emissions	2	2	4	
2013/14 Improve customer account management and backdesk IT systems								
4 Improved billing with customers and ensure that IT systems reflect better practices.	Improved customer satisfaction	No impact	Commercial Waste - positive impact	Not applicable	2	2	4	
2013/14 Public value review between July 2013 to December 2013								
5 Public Value Review.	More efficient way of working	No impact	Commercial Waste - positive impact	Impact on transport emissions	2	2	4	
2013/14 Introduce timed commercial waste collections in town centres								
6 This is to introduce time banding for commercial waste collections	More efficient way of working	No impact	Commercial Waste - positive impact	Not applicable	2	2	4	
7								
8								
9								
10								

Development and Building Control

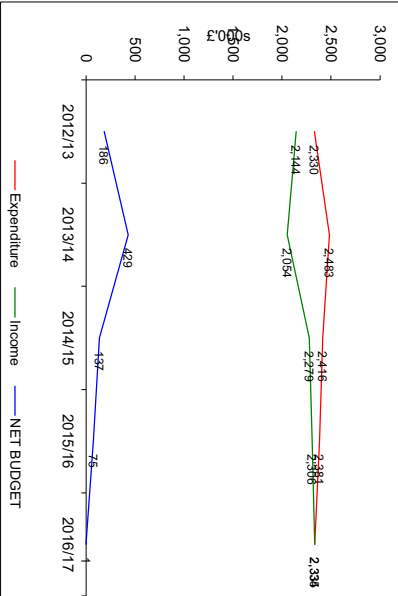
CLT Andrew Judge Cabinet Member for Sustainability & Regeneration
Enter a concise description of your main activities/objectives below:

Building Control
 Building regulations regulate the built environment to add to the sustainability initiative, and safety at sports grounds to ensure that they are safe for occupation by spectators. Dangerous Structures service is provided to protect the residents.

Development control
 Assess and determine planning applications against the adopted policies for the built environment contained within the council's Core Strategy. Implement the Mayoral Community Infrastructure Levy (CIL) charging regime.

- Objectives**
- 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.

DEPARTMENTAL BUDGET AND RESOURCES



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	2,330	2,483	2,416	2,381	2,336
Income	2,444	2,279	2,381	2,306	2,306
NET BUDGET	186	429	497	76	76

PLANNING ASSUMPTIONS

Assumption	2012/13	2013/14	2014/15	2015/16	2016/17
Anticipated demand	700	700	700	700	700
Increased enforcement cases	2000	2000	2000	2000	2000
BC applications economy dependant	1650	1650	1650	1650	1650
tree applications	600	600	600	600	600
Anticipated supply	36	37	35	33	31
Staff (FTE)					

Performance Indicator	Performance targets (Indicate if % target)						Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
	2012/13	2013/14	2014/15	2015/16	2016/17	2016/17				
% Major applications processed within 13 weeks	60	60	55	55	50	High	Monthly	Quality	Reduced service delivery	Political risk
% Minor applications processed within 8 weeks	65	65	60	60	55	High	Monthly	Quality	Reduced service delivery	Political risk
% Other applications processed within 8 weeks	80	80	75	75	70	High	Monthly	Quality	Reduced service delivery	Political risk
% appeals lost	35	35	40	40	40	Low	Quarterly	Perception	Reputational risk	Political risk
Income (Development and Building Control)	£1.97m	£1.97m	↑	↑	↑	High	Monthly	Business critical	Loss of income	
% Market share retained by LA (BC)	85	80	75	75	75	High	Monthly	Perception	Loss of income	
% Projects completed	60	60	60	60	60	High	Quarterly	Quality	Reduced update of service	Reputational risk
Number of enforcement cases closed	600	600	550	425	350	High	Quarterly	Quality	Reputational risk	

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
1	Localism Bill	1	Localism Bill	1	1	1	1	1
2	Commercialisation of Building Control	2	Commercialisation of Building Control	2	2	2	2	2
3		3	Mobile/Home working	3	3	3	3	3
4		4		4	4	4	4	4
5		5		5	5	5	5	5
6		6		6	6	6	6	6
7		7		7	7	7	7	7
8		8		8	8	8	8	8
9		9		9	9	9	9	9
10		10		10	10	10	10	10

Expenditure	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
Employees	1,564	1,627	1,554	1,514	73	EN06	EN09	EN11
Premises	2	2	2	2	40			
Transport	32	32	33	33				
Supplies and Services	244	306	311	316	14	EN01		
3rd party payments	0	0	0	0				
Transfer Payments	2	2	2	2				
Support services	486	514	514	514				
Depreciation	0	0	0	0				
Income	2,144	2,054	2,279	2,306				
Government grants	103	0	0	0				
Other reimbursements	106	134	134	134				
Customer and client receipts	1,935	1,816	2,041	2,088	-190	ER07 & EN08	ER07	
Reserves	0	104	104	104				
Capital funded								
NET BUDGET	186	429	497	76	-176		40	52
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)		

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

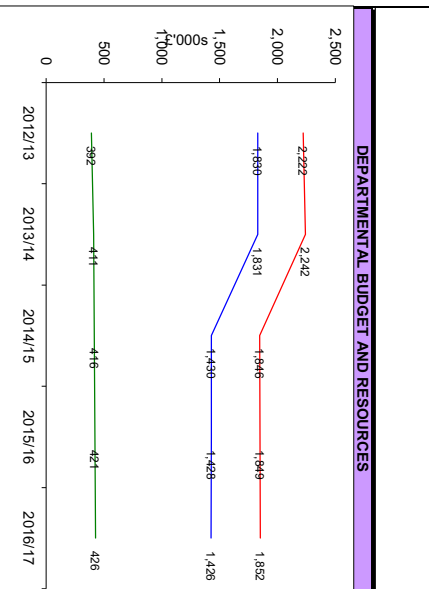
Development and Building Control		DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT						
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		Score	
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact		
2013/15 Localism Bill This is to ensure compliance with the Localism Bill covering areas involving planning	To meet legislative requirements	Equality analysis to be undertaken	Development and Building Control - neutral impact	Not applicable	4	2	8	
2013/15 Commercialisation of Building Control This is to ensure Building Control is more commercial aware in a more competitive market	Income generation	No impact	Accountancy - positive impact	Not applicable	3	2	6	
2014/16 Mobile / Home working This is introducing mobile and home working to the teams	More efficient way of working	No impact	Development and Building Control - positive impact	Impact on transport emissions	1	1	1	
4								
5								
6								
7								
8								
9								
10								

Environmental Health, Trading Standards & Licensing

Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration

Enter a concise description of your main activities/objectives below:

- Provide a proportionate, risk-based approach to the councils statutory duty to enforce Environmental Health, Trading Standards & Licensing legislation that meets national / local priorities. Ensuring a healthy, safe and fair environment by:-
 - Protecting interest of consumers and businesses from rogue traders and doorstep crime
 - Preventing anti-social behaviour, minimise health risks and improve community safety through prevention of sales of age-restricted products
 - maintaining food safety / hygiene / quality
 - controlling infectious disease
 - improving public health
 - reducing the number of accidents and the level of ill-health associated with the commercial work environment
 - improved housing conditions, air quality and reducing pollution
 - provision of grant assistance programme for improvements and adaptations to properties including where occupied by those with a disability
 - developing partnerships with local businesses to help them comply with legal obligations
 - investigating and controlling excessive noise from neighbours, alarms, construction sites
 - considering and granting licences/permits to trade through statutory premises
 - inspection regimes; complaint investigation; testing/ sampling/monitoring activities
 - formal legal action for persistent/serious offenders, remove rogue traders and unfair trading practices.



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	2,222	2,242	1,846	1,849	1,852
Income	1,831	1,831	1,430	1,428	1,426
NET BUDGET	400	411	416	421	426

Project	PLANNING ASSUMPTIONS										Corporate contributes your service	Workforce Development
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22		
1	Anticipated demand										Central Government	Learning & Dev.
	Total number of food premises											
2	Anticipated demand										Performance Management Framework	Ageing workforce
	Total number of service requests											
3	Anticipated demand										Crime & Disorder (partnership plan)	Housing Strategy
	Licence/permit applications											
4	Anticipated demand										Air Quality Action Plan	Commercial & Trading Standards
	DF/SH/EP grant enquiries/applications											
5	Anticipated demand										Older People's Housing	Social Inclusion Strategy
	Staff (FTE)											
6	Performance targets (indicate if % target)										Indicator type	Impact(s) if performance indicator not met
	% service requests replied in 5 working days											
7	Performance targets (indicate if % target)										Indicator type	Impact(s) if performance indicator not met
	Income generation by EHTSL											
8	Performance targets (indicate if % target)										Indicator type	Impact(s) if performance indicator not met
	% of inspection category A & C food premises											
9	Performance targets (indicate if % target)										Indicator type	Impact(s) if performance indicator not met
	No. of underage sales test purchases											
10	Performance targets (indicate if % target)										Indicator type	Impact(s) if performance indicator not met
	% Data capture from air pollution monitoring sites											
11	Performance targets (indicate if % target)										Indicator type	Impact(s) if performance indicator not met
	No. of enforcement/improvement notices											
12	Performance targets (indicate if % target)										Indicator type	Impact(s) if performance indicator not met
	% licensing apps. processed within 21 days.											
13	Performance targets (indicate if % target)										Indicator type	Impact(s) if performance indicator not met
	Number of DF/SR Grants approved											

Project	BRIEFLY DETAIL YOUR MAJOR WORK/ PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1	Development of shared 'regulatory' service									
2	Transfer of Public Health responsibilities									
3	Roll-out of Accredited Financial Investigation function									
4	Implementation of DFG LEAN review recommendations									
5	Contaminated Land Investigation in Marlowe Square									
6	Produce and run Air Quality website for South London cluster group									
7	Investigation of Air Quality exceedances in Colliers Wood, Plough Lane and RRMS site									
8	Delivery of 'Warm Homes Healthy People' grant funded programme									
9										
10										

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Environmental Health, Trading Standards & Licensing		MAJOR EXPECTED OUTCOME		IMPACT ON:			Risk		Score
PROJECT DESCRIPTION		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact			
1	2013/14 Development of shared 'regulatory' service Look to develop the sharing of the service with other boroughs.	To meet budget savings	Equally analysis undertaken	Human Resources - negative impact Accountancy - negative impact Safety Services - negative impact	Other resource reduction	4	2	8	
2	2013/14 Transfer of Public Health responsibilities Transfer of some of the Public Health responsibilities to the Local Authority from the Health Service.	Improved resident well being	No impact	Environmental Health - negative impact	Not applicable	3	1	3	
3	2013/14 Roll-out of Accredited Financial Investigation function To allow the investigation of suspects and their financial records.	Income generation	No impact	Housing Benefits - positive impact Investigations - positive impact Development and Building Control - positive impact	Not applicable	3	1	3	
4	2013/14 Implementation of DFG LEAN review recommendations Implement the recommendations from the review.	Improved resident well being	Equally analysis to be undertaken	Adult Social Care - positive impact Business Improvement - positive impact Children's Social Care - positive impact	Not applicable	2	1	2	
5	2013/14 Contaminated Land Investigation in Marlow Square Investigate the contaminated land at Marlow Square.	To meet legislative requirements	No impact	Environmental Health - neutral impact	Not applicable	5	2	10	
6	2013/14 Produce and run Air Quality website for South London cluster group Create and progress a website for the cluster.	More efficient way of working	No impact	Environmental Health - positive impact Future Merton - positive impact	Not applicable	2	1	2	
7	2013/14 Investigation of Air Quality exceedences in Colliers Wood, Plough Lane and RRM site Investigate and report on the problem sites	More efficient way of working	No impact	Environmental Health - positive impact Future Merton - positive impact	Not applicable	3	2	6	
8	2013/14 Delivery of 'Warm Homes Healthy People' grant funded programme Deliver the programme to the borough.	Improved resident well being	No impact	Adult Social Care - positive impact Children's Social Care - positive impact Future Merton - positive impact	Community outreach	2	1	2	
9	2014/15 Implementation of flexible working Introduce flexible working to the section.	More efficient way of working	No impact	Environmental Health - positive impact	Not applicable	3	1	3	
10									

Future Merton

Select your Cabinet Member & Portfolio

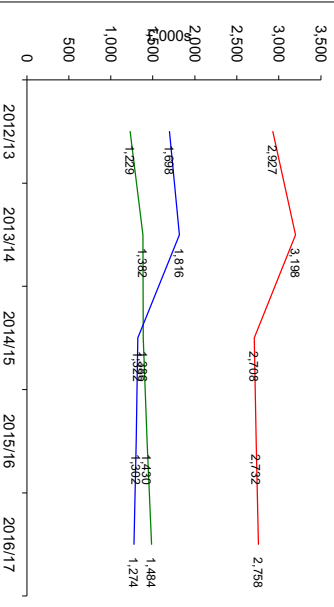
Enter a concise description of your main activities/objectives below:

- To deliver the council's regeneration plans, prioritising areas for regeneration and investment and to:
- develop new spatial planning policies to support regeneration objectives
- develop site assembly requirements to support regeneration and development objectives
- develop sustainable development policies to support Merton's commitment to carbon reduction
- develop urban design frameworks to support regeneration 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
- attract developer and inward investment, public sector funding and support to deliver our regeneration.

Objectives

- to develop transport policies and secure external funding from Transport for London (TfL) to deliver improvements to Merton's public realm
- deliver regeneration projects in Mitcham and Colliers Wood using the Mayor of London's Funding
- adopt Planning Briefs to aid marketing and disposal of Broadway car park, Wimbledon, Morden Station Planning Brief (1MO).

DEPARTMENTAL BUDGET AND RESOURCES



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	2,927	3,198	2,708	2,732	2,758
Income	1,104	1,112	658	658	658
Employees	126	289	293	297	301
Premises	6	9	9	9	10
Supplies and Services	719	601	550	559	569
3rd Party Payments	555	751	762	773	784
Support services	344	363	363	363	363
Depreciation	73	73	73	73	73
Income	1,229	1,382	1,386	1,430	1,484
Government grants	218	0	0	0	0
Other reimbursements	691	118	118	118	118
Customer and client receipts	272	306	310	354	408
Reserves	48	958	958	958	958
Capital Funded					
NET BUDGET	1,698	1,816	1,322	1,302	1,274
Capital Budget	350	3,295	1,250	878	1,037

PLANNING ASSUMPTIONS

Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Learning & Dev.		
Population	199,700	199,700	↑	↑	↑	Customer demand - external	Unitary Development Plan			
Actual businesses in borough	2200	7420	↑	↑	↑	Customer demand - external	Road Safety Plan			
Anticipated supply						Key drivers of supply	Climate Change Strategy			
Staff (FTE)	32	24	24	24	24	Technological	Community Plan			
							Core Planning Strategy			
							Capital Programme			
							Housing Strategy			
							Local Implementation Plan			
							London wide strategy			
Performance Indicator								Impact(s) if performance indicator not met		
Housing supply targets	370	320	320	320	320	High	Annual	Outcome	Loss of Government grant	Political risk
% town centre vacancy rates	12	10	10	10	10	Low	Quarterly	Outcome	Political risk	Political risk
Increase the % modal share for walking and cycling in the borough	35.40	35.80	↑	↑	↑	High	Annual	Perception	Environmental issues	Reputational risk
% Emissions reduction from buildings	4.0	6.5	9.0	11.5	12.0	High	Annual	Outcome	Environmental issues	Reputational risk
Reduce total no. killed or seriously injured in road traffic accidents	56	54	↓	↓	↓	Low	Annual	Outcome	Reputational risk	Reputational risk
Reduce CO2 emissions by councils fleet	155	150	↓	↓	↓	Low	Annual	Outcome	Environmental issues	Reputational risk
To deliver new business start ups and jobs through the EDS Merton Business Support Service	New	300	300	300	300	High	Annual	Output	Environmental issues	Anti social behaviour

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Morden station planning brief, Morden public realm and Master Plan	1	Morden station planning brief, Morden public realm and Master Plan	1	Morden station planning brief, Morden public realm and Master Plan	1	Morden station planning brief, Morden public realm and Master Plan
2	Mitcham Cricket Green Planning Framework	2	Mitcham Cricket Green Planning Framework	2	Mitcham Cricket Green Planning Framework	2	Mitcham Cricket Green Planning Framework
3	Broadway Car Park	3	Broadway Car Park	3	Broadway Car Park	3	Broadway Car Park
4	Central Business district - Wimbledon Bridge/Dunford Yard	4	Central Business district - Wimbledon Bridge/Dunford Yard	4	Central Business district - Wimbledon Bridge/Dunford Yard	4	Central Business district - Wimbledon Bridge/Dunford Yard
5	Colliers Wood / South Wimbledon Planning Framework	5	Colliers Wood / South Wimbledon Planning Framework	5	Colliers Wood / South Wimbledon Planning Framework	5	Colliers Wood / South Wimbledon Planning Framework
6	Raynes Park - Rainbow Estate	6	Raynes Park - Rainbow Estate	6	Raynes Park - Rainbow Estate	6	Raynes Park - Rainbow Estate
7	Sites and policies DPD and Proposals map	7	Sites and policies DPD and Proposals map	7	Sites and policies DPD and Proposals map	7	Sites and policies DPD and Proposals map
8	Library/Marborough Hall	8	Library/Marborough Hall	8	Library/Marborough Hall	8	Library/Marborough Hall
9	EDS Merton Business Support Service	9	EDS Merton Business Support Service	9	EDS Merton Business Support Service	9	EDS Merton Business Support Service
10		10		10		10	

2013/14	2014/15	2015/16	2016/17
454	ER23 & EN41		
60	EN43		
514			
40			
50			

Finance Comments (Capital Budget or otherwise)

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Future Merton		MAJOR EXPECTED OUTCOME		IMPACT ON:		Sustainability		Risk		Score	
PROJECT DESCRIPTION		Equalities		Select up to 3 services				Likelihood		Impact	
1	2013/14 Morden station planning brief/Morden public realm and Master Plan 2014/15 Morden station planning brief/Morden public realm and Master Plan Work in Partnership with TfL to bring forward the redevelopment of Morden Station for a mixed use, retail led scheme to reinvigorate Morden Town Centre. This will feed into the Masterplan and public realm	Income generation	No impact	Local Taxation - positive impact Development and Building Control - positive impact Housing Needs and Enabling Services - negative impact Housing Needs and Enabling Services - positive impact	District networks	2	3	6			
2	2013/14 Mitcham Cricket Green Planning Framework 2014/15 Mitcham Cricket Green Planning Framework 2015/16 Mitcham Cricket Green Planning Framework (through the preparation of a masterplan, development control and delivery of new, more sustainable homes)	Improved resident well being	Equality analysis to be undertaken	Development and Building Control - positive impact Parking - negative impact Local Taxation - positive impact	Impact on transport emissions	4	2	8			
3	2013/17 Broadway Car Park Produce a new Planning Brief for the redevelopment of Broadway car park for mixed town centre uses. Follow through to procurement and planning with IP1 Property Team	Income generation	Equality analysis to be undertaken	Development and Building Control - positive impact Parking - negative impact Local Taxation - positive impact	Other resource reduction	4	2	8			
4	2013/16 Central Business district - Wimbledon Bridge/Dundonald Yard Conduct research into the viability of a new central business district in Wimbledon. Site viability, market demand, logistics, planning and place branding	Income generation	No impact	Local Taxation - positive impact Highways - positive impact Development and Building Control - positive impact Development and Building Control - positive impact	Impact on building emissions	3	2	6			
5	2013/16 Colliers Wood / South Wimbledon Planning Framework Work with stakeholders to facilitate the regeneration of Colliers Wood/ South Wimbledon Development Framework (through the preparation of a masterplan, development control and delivery of new, more sustainable homes)	Improved resident well being	Equality analysis to be undertaken	Housing Needs and Enabling Services - positive impact Local Taxation - positive impact Highways - positive impact Housing Needs and Enabling Services - positive impact	Not applicable	3	2	6			
6	2013/16 Raynes Park - Rainbow Estate Work with the site owners to prepare a planning brief to guide the redevelopment of the site for employment led uses and secure public realm enhancements to Raynes Park Southside and provision of a station drop-off area.	Improved reputation	Equality analysis to be undertaken	Whole organisation - positive impact Local Taxation - positive impact Housing Needs and Enabling Services - positive impact	Impact on building emissions	3	2	6			
7	2013/16 Sites and policies DPD and Proposals map This is the sites that have been put forward for consultation throughout the borough	Improved reputation	Equality analysis to be undertaken	Local Taxation - positive impact Housing Needs and Enabling Services - positive impact	Impact on building emissions	2	3	6			
8	2013/15 Library/Marborough Hall Proposals to refurbish library and hall for community use	Improved reputation	Equality analysis to be undertaken	Libraries - positive impact Future Merton - positive impact Select a service	Impact on building emissions	3	2	6			
9	2013/17 EDS Merton Business Support Service The authority to assist businesses through the current financial difficulties where possible	Improved reputation	Equality analysis to be undertaken	Future Merton - positive impact Select a service Select a service Select a service	Not applicable	2	2	4			
10	2013/15 Select one major outcome	Select one major outcome	Select one	Select a service Select a service Select a service	Not applicable	0	0	0			

Leisure & Culture Development

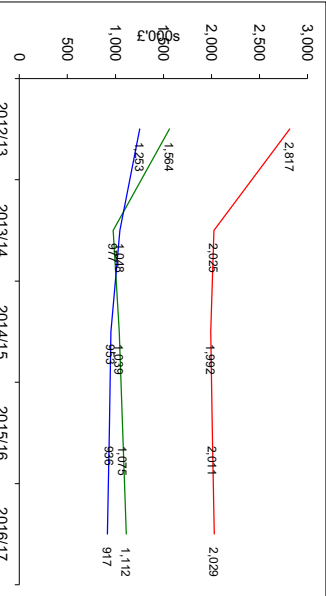
Cliff Nick Draper Cabinet Member for Community & Culture

Enter a concise description of your main activities/objectives below:
 Engage local people in healthy living and lifestyle changes through increased involvement and participation in sports, arts, cultural and physical activities and events. Working with partners to increase the number, scope and quality of facilities and programmes available on offer in the borough. Managing three Leisure Centres, one public hall, a water sports centre, Wimbleton Theatre, SIXX track and all of the booking functions (punch time, committees, allocations, activity programmes, pavilions, hall, etc). We will also contribute towards the new Health and Well-being duties.

We anticipate that leisure services will be expected to meet shortfalls by government savings in other areas; population growth and impact of government initiatives which can be delivered through Leisure & Culture Services e.g Skills, Employment, Health, Well-being, Community Cohesion, etc.

- Over the next four years we will transform our services by:
 - using technology, especially in the area of online bookings
 - determine the future of services for Morden Park Pools and Wimbleton Watersports centre
 - working with our schools to develop community use
 - working with our leisure centres & theatres to improve their community offers and commercial viability
 - reviewing the delivery of the arts, sports and physical activity development functions and move to an economically viable business solution
 - working in partnership to increase income; raise external funding and inward investment to deliver our key objectives;
 - deliver Merton's contribution to major sports, arts & cultural events appropriately
 - reducing costs, increase income and be more cost effective.

DEPARTMENTAL BUDGET AND RESOURCES



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	2,817	2,817	2,922	2,911	2,929
Income	1,564	1,592	1,499	1,475	1,112
NET BUDGET	1,253	1,225	1,423	1,436	1,800
Capital Budget	501	300	1,300	10,300	300

PLANNING ASSUMPTIONS

	2012/13	2013/14	2014/15	2015/16	2016/17
Anticipated demand					
Population	199,700	199,700	↔	↔	↔
Anticipated supply					
Staff (FTE)	17.77	14.3	14.1	14.1	14.1
Staff seasonal	30	30	30	30	30
Accommodation	7	7	7	7	7
Voluntary Services	20	20	20	20	20
Performance Indicator					
Income generated £ - Merton Active Plus	52,000	58,000	64,000	79,000	84,000
No. of participants hours - Leisure Devt Merton Active Plus	New	13,000	↔	↔	↔
External funding £ - Capital & Revenue	250,000	20,230	24,230	26,550	28,550
Income £ from Morden Assembly Hall	17,230	20,230	24,230	26,550	28,550
Income £ from Watersports Centre	358,960	375,660	392,460	402,460	412,460
No. of participants engaged at Watersports Centre for one hourly session per annum	120,000	125,000	130,000	135,000	140,000
% of residents rating Leisure & Sports facilities Good to Excellent	48	49	49	50	50
No. of participants hours - leisure & arts activities & events, excluding MAP	New	32,000	↔	↔	↔
14-25 yr old Fitness Centre Participation at leisure centres	56,350	57,480	58,620	59,800	61,000

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Increasing participation in sport, recreation and physical activity	1	Increasing participation in sport, recreation and physical activity	1	Increasing participation in sport, recreation and physical activity	1	Increasing participation in sport, recreation and physical activity
2	Increasing participation & engagement in the arts, cultural and well-being activities	2	Increasing participation & engagement in the arts, cultural and well-being activities	2	Increasing participation & engagement in the arts, cultural and well-being activities	2	Increasing participation & engagement in the arts, cultural and well-being activities
3	Leisure Centres Contract & Wimbleton Theatre Management	3	Leisure Centres Contract & Wimbleton Theatre Management	3	Leisure Centres Contract & Wimbleton Theatre Management	3	Leisure Centres Contract & Wimbleton Theatre Management
4	Future of Morden Park Pool & Wimbleton Park Watersports Centre & Cultural Facility	4	Future of Morden Park Pool & Wimbleton Park Watersports Centre & Cultural Facility	4	Future of Morden Park Pool & Wimbleton Park Watersports Centre & Cultural Facility	4	Future of Morden Park Pool & Wimbleton Park Watersports Centre & Cultural Facility
5	Implementation of Online Leisure & Cultural Bookings	5	Implementation of Online Leisure & Cultural Bookings	5	Implementation of Online Leisure & Cultural Bookings	5	Implementation of Online Leisure & Cultural Bookings
6	Commercialisation of Merton Active Plus Programme & Cultural Development	6	Commercialisation of Merton Active Plus Programme & Cultural Development	6	Commercialisation of Merton Active Plus Programme & Cultural Development	6	Commercialisation of Merton Active Plus Programme & Cultural Development
7	St Mark's Academy School & PFI Schools - Community Use	7	St Mark's Academy School & PFI Schools - Community Use	7	St Mark's Academy School & PFI Schools - Community Use	7	St Mark's Academy School & PFI Schools - Community Use
8	Cultural Framework - launch & implementation	8	Cultural Framework implementation	8	Cultural Framework implementation	8	Cultural Framework implementation
9	Deliver Ride London inaugural event in Merton	9	Develop the boroughs involvement in Ride London	9	Deliver major sporting, cultural, arts events as required	9	Deliver major sporting, cultural, arts events as required
10	External Funding & inward investment Opportunities	10	External Funding & inward investment Opportunities	10	External Funding & inward investment Opportunities	10	External Funding & inward investment Opportunities

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD		2015/16	2016/17
1	Increasing participation in sport, recreation and physical activity	High	High
2	Increasing participation & engagement in the arts, cultural and well-being activities	High	High
3	Leisure Centres Contract & Wimbleton Theatre Management	High	High
4	Future of Morden Park Pool & Wimbleton Park Watersports Centre & Cultural Facility	High	High
5	Implementation of Online Leisure & Cultural Bookings	High	High
6	Commercialisation of Merton Active Plus Programme & Cultural Development	High	High
7	St Mark's Academy School & PFI Schools - Community Use	High	High
8	Cultural Framework implementation	High	High
9	Deliver major sporting, cultural, arts events as required	High	High
10	External Funding & inward investment Opportunities	High	High

ACTIONS AND SAVINGS		2015/16	2016/17
1	ER04 & ER05	EN33 & EN35	
2	ER04, ER05, EN34 & EN38	ER04, EN35 & EN38	
3	ER04 & ER05	EN35, EN36 & EN37	
4	ER04, ER05 & EN35	EN35, EN36 & EN37	
5	ER04, ER05 & EN35	EN35, EN36 & EN37	
6	ER04, ER05 & EN35	EN35, EN36 & EN37	
7	ER04, ER05 & EN35	EN35, EN36 & EN37	
8	ER04, ER05 & EN35	EN35, EN36 & EN37	
9	ER04, ER05 & EN35	EN35, EN36 & EN37	
10	ER04, ER05 & EN35	EN35, EN36 & EN37	

Finance Comments (Capital Budget or otherwise)

Leisure & Culture Development									
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:							
		Equalities	Select up to 3 services	Sustainability	Likelihood	Risk Impact	Score		
2013/17 Increasing participation in sport, recreation and physical activity	Improved resident well being	Equally analysis undertaken	Leisure Development - positive impact Parks and Green Spaces - positive impact Partner Organisation - positive impact	Not applicable	2	2	4		
2013/17 Increasing participation & engagement in the arts, cultural and well-being activities	Improved resident well being	Equality analysis to be undertaken	Leisure Development - positive impact Parks and Green Spaces - positive impact Partner Organisation - positive impact	Not applicable	2	2	4		
2013/17 Leisure Centres Contract & Wimbledon Theatre Management	Improved resident well being	Equality analysis to be undertaken	Leisure Development - positive impact Parks and Green Spaces - positive impact	Not applicable	2	2	4		
2013/17 Future of Morden Park Pool & Wimbledon Park Watersports Centre & Cultural Facility Development	More efficient way of working	Equality analysis to be undertaken	Leisure Development - positive impact Parks and Green Spaces - positive impact Libraries - positive impact	Not applicable	4	2	8		
2013/17 Implementation of Online Leisure & Cultural Bookings	More efficient way of working	Equality analysis to be undertaken	Leisure Development - negative impact Partner Organisation - negative impact	Not applicable	2	2	4		
2013/17 Commercialisation of Merton Active Plus Programme & Cultural Development Services	To meet budget savings	Equality analysis to be undertaken	Leisure Development - positive impact Partner Organisation - positive impact Early Years - positive impact	Not applicable	2	1	2		
2013/17 St Mark's Academy School & PFI Schools - Community Use	Improved resident well being	Equality analysis to be undertaken	Leisure Development - positive impact Parks and Green Spaces - positive impact Libraries - positive impact	Not applicable	2	1	2		
2013/15 Cultural Framework - launch & implementation	Improved resident well being	Equality analysis to be undertaken	Traffic - negative impact Leisure Development - positive impact Partner Organisation - positive impact	Not applicable	2	2	4		
2013/17 Deliver Ride London inaugural event in Merton	Improved reputation	No impact	Leisure Development - positive impact	Not applicable	2	2	4		
2013/17 External Funding & Inward Investment Opportunities	Income generation	No impact	Leisure Development - positive impact	Not applicable	2	1	2		

Parking

City Mark Betteridge Cabinet Member for Performance & Implementation

Enter a concise description of your main activities/objectives below:

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.

- Objectives
- continue to improve the efficiency of the section in conjunction with the findings of the comprehensive review of parking undertaken in 2011
- enforce parking regulations including Controlled Parking Zones and bus lanes
- review the number of locations where moving traffic can be enforced due to a lack of compliance and congestion problems
- Survey of parking needs, hours of operation, the number of parking spaces and the changing structure

DEPARTMENTAL BUDGET AND RESOURCES

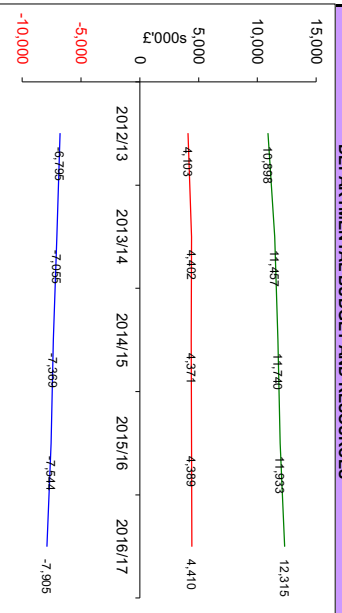


Table with columns: Revenue Budget £'000s, Expenditure, Income, NET BUDGET for years 2012/13, 2013/14, 2014/15, 2015/16, 2016/17. Rows include various budget categories like Employment, Transport, and Support services.

PLANNING ASSUMPTIONS

Table with columns: Anticipated demand, Anticipated supply, Performance Indicator, Performance targets (Indicate if % target), Polarity, Reporting cycle, Indicator type, Impact(s) if performance indicator not met. Rows include metrics like parking permits issued, sickness, and cases lost at PATAS.

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD. Table with columns: Project, 2013/14, 2013/14, 2014/15, 2014/15, 2015/16, 2015/16, 2016/17, 2016/17. Rows include projects like mobile phone payment and CCTV cameras.

ACTIONS AND SAVINGS table with columns: 2013/14, 2014/15, 2015/16, 2016/17. Rows include actions like EN12 and EN05.

PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		Score
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	
<p>2013/14 Mobile phone payment for parking</p> <p>1 This is by introducing a facility to accept payment over the phone.</p>	More efficient way of working	Equality analysis to be undertaken	Whole organisation - no impact	Not applicable	2	1	2
<p>2013/14 Obtain approved device status for the 4 new vehicles CCTV cameras which are used for enforcement.</p> <p>2 This will be the enforcement of the box junctions in the borough</p>	Improved resident well being	No impact	Whole organisation - no impact	Not applicable	2	2	4
<p>2013/15 Review the existing bus land cameras</p> <p>3 Review the capability of the current bus land cameras with the intention of introducing vehicle recognition cameras this will improve the quality of enforcement and service delivery. The Vehicle Recognition cameras have to achieve approved status and this can only be given by Department for Transport.</p>	Improved resident well being	No impact	Whole organisation - no impact	Not applicable	2	2	4
4							
5							
6							
7							
8							
9							
10							

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Parks and Green Spaces PROJECT DESCRIPTION		MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		Score
			Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	
2013/17	Management of parks & open spaces This is to investigate the future management of parks and open spaces by either friends groups or community groups.	More efficient way of working	Equally analysis undertaken	Whole organisation - no impact	Not applicable	2	2	4
2013/17	Management of paddling pools This is to investigate the future management of paddling pools by either friends groups or community groups.	More efficient way of working	Equally analysis undertaken	Whole organisation - no impact	Not applicable	2	2	4
2013/17	Management of allotments To look at allotments being managed by users rather than by the council	More efficient way of working	Equally analysis undertaken	Whole organisation - no impact	Not applicable	2	2	4
2013/17	Management of bowling greens To ascertain whether local clubs would manage the bowling greens themselves rather than the council	More efficient way of working	Equally analysis undertaken	Whole organisation - no impact	Not applicable	2	2	4
2013/16	Morley Park (development of new open space) To review the management arrangements for the new Morley Park.	Income generation	Equally analysis to be undertaken	Whole organisation - no impact	Not applicable	3	2	6
2013/16	Car parking fees in key parks Introduction of car parking fees in certain car parks	Income generation	Equally analysis undertaken	Whole organisation - no impact	Impact on transport emissions	4	2	8
2013/17	Commercialisation of grounds and sports services This is a project to commercialise the grounds and sports services that are currently supplied by the council	Income generation	Equally analysis to be undertaken	Whole organisation - no impact	Not applicable	2	2	4
2013/16	New cemetery extension (London Road) Commissioning of a new cemetery extension at Merton and Sutton Cemetery	Income generation	Equally analysis to be undertaken	Facilities Management - negative impact	Not applicable	2	3	6
2013/17	Development of new sporting hub at Joseph Hood Rec	Improved reputation	Equally analysis to be undertaken	Whole organisation - positive impact	Impact on building emissions	3	2	6
2013/14	Refurbishment of Wimbledon Park tennis courts	Improved reputation	Equally analysis to be undertaken	Whole organisation - positive impact Parks and Green Spaces - positive impact	Not applicable	2	2	4

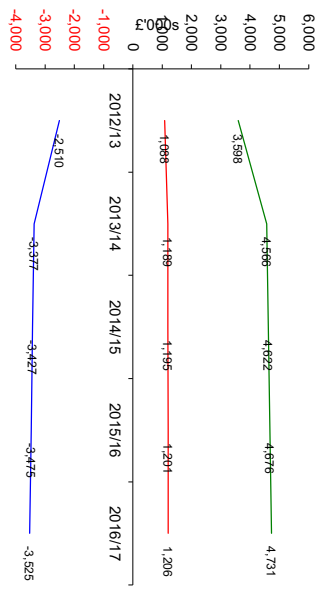
Property

Clr Andrew Judge Cabinet Member for Sustainability & Regeneration
Enter a concise description of your main activities/objectives below:

To ensure that all property transactions provide value for money and comply with statutory control. To maintain an accurate record of the property assets of the council and to provide asset valuations to support the council's accounts. To manage the council's investment portfolio to maximise income, managing the council's 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.

- 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.

DEPARTMENTAL BUDGET AND RESOURCES



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	1,088	1,189	1,195	1,201	1,206
Income	3,17	288	288	288	288
NET BUDGET	-2,510	-3,377	-3,427	-3,475	-3,525

PLANNING ASSUMPTIONS

Project	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Learning & Dev.
1	10	2	7	8	→	Asset Management Plan	
2	12	10	9	8	→	Capital Programme	
3	36	30	25	21	→	Gypsy and Traveller Strategy	
4	N/A	↑	↑	↑	→	Economic Development Strategy	
5	6	8	8	8	→	Children & Young person's Plan	
6	8	8	8	8	→	Civil Contingencies Plan	
7	8	8	8	8	→	Medium Term Financial Strategy	
8	8	8	8	8	→	Open Spaces Strategy	
9	8	8	8	8	→	Community Plan	
10	8	8	8	8	→		

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Learning & Dev.
1	Integrated Project Team	1	Integrated Project Team	1	Integrated Project Team	Asset Management Plan	
2	Asset Management Plan	2	Asset Management Plan	2	Asset Management Plan	Capital Programme	
3	3	3	3	3	Asset Management Plan	Gypsy and Traveller Strategy	
4	4	4	4	4	Asset Management Plan	Economic Development Strategy	
5	5	5	5	5	Asset Management Plan	Children & Young person's Plan	
6	6	6	6	6	Asset Management Plan	Civil Contingencies Plan	
7	7	7	7	7	Asset Management Plan	Medium Term Financial Strategy	
8	8	8	8	8	Asset Management Plan	Open Spaces Strategy	
9	9	9	9	9	Asset Management Plan	Community Plan	
10	10	10	10	10	Asset Management Plan		

Project	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Learning & Dev.
1	10	2	7	8	→	Asset Management Plan	
2	12	10	9	8	→	Capital Programme	
3	36	30	25	21	→	Gypsy and Traveller Strategy	
4	N/A	↑	↑	↑	→	Economic Development Strategy	
5	6	8	8	8	→	Children & Young person's Plan	
6	8	8	8	8	→	Civil Contingencies Plan	
7	8	8	8	8	→	Medium Term Financial Strategy	
8	8	8	8	8	→	Open Spaces Strategy	
9	8	8	8	8	→	Community Plan	
10	8	8	8	8	→		

Finance Comments (Capital Budget or otherwise)

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Property	PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		Score
			Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	
2013/16 Integrated Project Team	1 This is to create a team which covers all aspects of the council which will allow better use of council properties and maximise capital receipts through either selling or rental	Income generation	Equality analysis to be undertaken	Future Merton - positive impact	Other resource reduction	2	2	4
2013/16 Asset Management Plan	2 This is the creation of a plan which will help to maximise all the property held by the council.	Income generation	Equality analysis to be undertaken	Future Merton - positive impact	Other resource reduction	1	2	2
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							

Cllr Edith Joan Macaulay Cabinet Member for Engagement & Equality

Enter a concise description of your main activities/objectives below:

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
- Drugs and alcohol abuse commissioning
- The provision of school officers, CCTV and offender work

Other support and commissioned services are part of the teams remit as well as ensuring that the council is compliant with legislation. The service is managed through the council, and delivered by Police officers, joint health staff, voluntary sector and community.

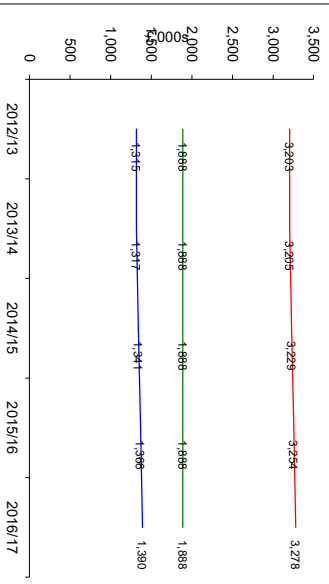
The Statutory duty of the council consists of:

- 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.

PLANNING ASSUMPTIONS

	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development	
Anticipated demand									
Number of new ASB cases	550	600	600	600	600	Customer demand - external	Crime & Disorder (partnership plan)	N/A	
Population	199700	199700				Customer demand - external			
No. Multi Agency Risk Assessment cases (domestic abuse)	105	117	129	141	153	Customer demand - external			
Clients presenting at the One Stop Shop	205	250	275	275	275	Customer demand - external			
Anticipated supply						Key drivers of supply			
Staff (FTE)	24	24	24	20		Political			
Voluntary Services						Social			
Performance Indicator			Performance targets (indicate if % target)			Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
Number of new ASB cases	550	600	600	600	600	Low	Monthly	Business critical	Anti social behaviour
% CCTV cameras operational	95	95	95	95	95	High	Monthly	Outcome	Reputational risk
% improvement in successful completions in drug treatment	33	34	35	36	37	High	Quarterly	Outcome	Safeguarding issues
% perception of residents worried about drunk & rowdy behaviour (ARS)	43	42	41	40	39	Low	Annual	Perception	Reputational risk
% perception of residents worried about ASB (ARS)	45	44	43	42	41	Low	Annual	Perception	Reputational risk
% perception of residents worried about crime (ARS)	52	51	50	49	48	Low	Annual	Perception	Reputational risk
No. Multi Agency Risk Assessment cases (domestic abuse)	105	117	129	141	153	High	Monthly	Business critical	Breach statutory duty
No. of Local Multi Agency Problem Solving meetings	46	46	46	46	46	High	Quarterly	Business critical	Reduced service delivery
% perception of residents worried about drug users (ARS)	34	33	32	31	30	Low	Annual	Perception	Reputational risk
% perception of residents feeling well informed about tackling ASB (ARS)	29	30	31	32	33	High	Annual	Perception	Reputational risk
BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD									
Project	2013/14	Project	2014/15	2015/16	2016/17				
1	1	1	1	1	1				
2	2	2	2	2	2				
3	3	3	3	3	3				
4	4	4	4	4	4				
5	5	5	5	5	5				
6	6	6	6	6	6				
7	7	7	7	7	7				
8	8	8	8	8	8				
9	9	9	9	9	9				
10	10	10	10	10	10				

DEPARTMENTAL BUDGET AND RESOURCES



	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget £,000s	3,203	3,205	3,229	3,254	3,278
Expenditure	3,203	3,205	3,229	3,254	3,278
Employees	1,101	1,012	1,012	1,012	1,012
Ferries	5	5	5	5	5
Transport	7	7	7	7	7
Supplies and Services	161	179	181	184	186
3rd party payments	1,467	1,568	1,590	1,612	1,634
Support services	358	330	330	330	330
Depreciation	104	104	104	104	104
Income	1,888	1,888	1,888	1,888	1,888
Government grants	322	317	317	317	317
Other reimbursements	1,464	1,539	1,539	1,539	1,539
Customer and client receipts	76	6	6	6	6
Reserves	26	26	26	26	26
Capital Funded	0	0	0	0	0
NET BUDGET	1,315	1,317	1,341	1,366	1,390
Capital Budget	45	165	40		

ACTIONS AND SAVINGS

	2013/14	2014/15	2015/16	2016/17
Project	2013/14	2014/15	2015/16	2016/17
1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
4	4	4	4	4
5	5	5	5	5
6	6	6	6	6
7	7	7	7	7
8	8	8	8	8
9	9	9	9	9
10	10	10	10	10

Finance Comments (Capital Budget or otherwise)

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Safer Merton		MAJOR EXPECTED OUTCOME		IMPACT ON:		Sustainability	Likelihood	Risk		Score
PROJECT DESCRIPTION		Equalities	Select up to 3 services	Safer Merton - negative impact	Children's Social Care - negative impact			Whole organisation - negative impact	Not applicable	
1	2013/15					Select one major outcome	Select one			Select a service
2	2013/14 Risk limitation of future grant loss 2014/15 2015/16 2016/17	To meet legislative requirements	Equally analysis undertaken	Whole organisation - negative impact	Children's Social Care - negative impact	Not applicable	4	2	8	
3	2013/14 ASB changes This is the changes in definition regarding Anti-Social Behaviour (although this is still awaiting defining from Central Government)	To meet legislative requirements	No impact	Whole organisation - negative impact	Safer Merton - negative impact	Not applicable	4	3	12	
4	2013/14	Select one major outcome	Select one	Select a service	Select a service	Select one	0	0	0	
5	2013/17	Select one major outcome	Select one	Select a service	Select a service	Select one	0	0	0	
6	2013/17	Select one major outcome	Select one	Select a service	Select a service	Select one	0	0	0	
7	2013/74	Select one major outcome	Select one	Select a service	Select a service	Select one	0	0	0	
8	2013/17	Select one major outcome	Select one	Select a service	Select a service	Select one	0	0	0	
9	2013/17	Select one major outcome	Select one	Select a service	Select a service	Select one	0	0	0	
10	2014/17 2014/15	Select one major outcome	Select one	Select a service	Select a service	Select one	0	0	0	

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Street Cleaning		IMPACT ON:			Risk		Score
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	
2013/14 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.	More efficient way of working	No impact	Whole organisation - no impact	Not applicable	2	2	4
2013/14 Public value review of street cleansing and enforcement Implementation of agreed PVR recommendations as per the review which will take place October 12 to March 13, these will include new enforcement strategy.	Improved customer satisfaction	Equality analysis to be undertaken	Commercial Waste - positive impact	Waste	2	2	4
2013/14 Introduce timed commercial waste collections in town centres Introduce time banded waste collections in town centres starting with Wimbleton town centre	To meet legislative requirements	Equality analysis to be undertaken	Street Cleaning - positive impact Whole organisation - positive impact	Impact on transport emissions	2	2	4
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
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							0
							0

Traffic and Highways

Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration
Enter a concise description of your main activities/objectives below:

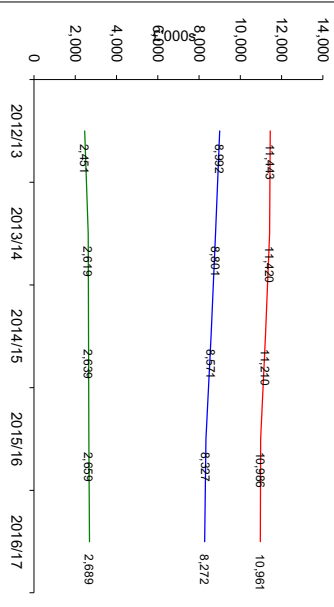
The service discharges the council's responsibilities as a Highway, Traffic and Parking Authority, assists with its responsibilities as a Local Planning Authority and assists in the delivery of the Community Plan vision. It maintains 12,672 street lights, 363.5 kms of road network and 16,500 trees on the public highway with an anticipated additional 7,0 new trees planted per year.

- The main aims of the service are:
- ensure the safe and expeditious movement of all traffic on 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 manage the highway network and to ensure that this network is safe and serviceable for all road users. The specific objectives for 2013/14 is to reduce the Council's Street Lighting energy costs and Carbon footprint.

The Council began operating the London Permit Scheme in January 2013 to manage road work activities on the public highway. 11,650 permits are expected to be granted per year. The Streetwork and Network Co-ordination team will grow by an additional 6 staff as a result.

DEPARTMENTAL BUDGET AND RESOURCES



	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget €'000s	11,443	11,420	11,210	10,986	10,967
Expenditure	11,443	11,420	11,210	10,986	10,967
Employees	1,327	1,622	1,622	1,370	1,370
Premises	1,210	1,274	1,243	1,237	1,226
Transport	105	128	130	132	134
Supplies and Services	487	252	182	186	151
3rd party payments	2,046	1,914	1,803	1,831	1,830
Support services	1,322	1,294	1,294	1,294	1,294
Depreciation	4,936	4,936	4,936	4,936	4,936
Street Lighting	640	390	300	200	482
TFL	3,512	3,177	2,912	2,912	2,759
Traffic & Parking management	12	323	135	135	306

PLANNING ASSUMPTIONS

Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development
	12,673	12,673	12,673	12,673	12,673			
Street lights	12,673	12,673	12,673	12,673	12,673	Customer demand - external	Road Safety Plan	Learning & Dev.
Maintenance of trees	16,500	16,570	16,640	16,710	16,710	Customer demand - external	Local Transport Plan	Reliance on agency
Network Maintenance and Improvement	363.5	363.5	363.5	363.5	363.5	Statutory / Government Initiative	Local Implementation Plan	Ageing workforce
Streetwork Permits issued	5,600	11,650	↑	↑	↑	Customer demand - external	Capital Programme	
Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply	Local Development Framework	
Staff	40.5	39.7	38.7	TBC	TBC	Economic		

Performance Indicator	Performance targets (Indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
	2012/13	2013/14	2014/15	2015/16	2016/17				
% of out of light lamp columns under LA control repaired within 3 working days	85	87	85	86	86	High	Quarterly	Quality	Reduced customer service
% response to Emergency Callouts	100	100	100	100	100	High	Monthly	Quality	Increased costs
% Streetworks permitting determined	98	98	98	98	98	High	Monthly	Quality	Loss of income
% Streetworks inspections completed	30	32	35	37	38	High	Quarterly	Unit cost	Loss of income
% of jobs completed where no Fixed Penalty Notice issued	96	96	98	99	99	High	Monthly	Outcome	Reduced customer service
% of Condition Surveys completed on time	80%	90%	92%	95%	95%	High	Annual	Quality	Increased costs

Project	2013/14		2014/15		2015/16		2016/17	
	Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Flood and Water Management Schemes	1	Flood and Water Management Schemes	1				
2	Grounds maintenance contract	2						
3	Street Lighting contract	3						
4	Delivery of Mitcham Town Centre scheme	4	Delivery of Mitcham Town Centre scheme	4				
5	Ride London	5	Ride London	5				
6		6		6				
7		7		7				
8		8		8				
9		9		9				
10		10		10				

Revenue Budget	2013/14		2014/15		2015/16		2016/17	
	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17
272	272	272	272	272	272	272	272	272
ER20, ER21 & ER22	ER20, ER21 & ER22	EN23	EN23	EN23	EN29	EN29	EN29	EN29
50	50	50	50	50	50	50	50	50
EN30	EN30	EN30	EN30	EN30	EN30	EN30	EN30	EN30
139	139	139	139	139	139	139	139	139
EN24, EN28	EN24, EN28	EN24, EN28	EN24, EN28	EN24, EN28	EN24, EN28	EN24, EN28	EN24, EN28	EN24, EN28
199	199	199	199	199	199	199	199	199
252	252	252	252	252	252	252	252	252
EN29	EN29	EN29	EN29	EN29	EN29	EN29	EN29	EN29
70	70	70	70	70	70	70	70	70
EN31	EN31	EN31	EN31	EN31	EN31	EN31	EN31	EN31
EN32	EN32	EN32	EN32	EN32	EN32	EN32	EN32	EN32
EN33	EN33	EN33	EN33	EN33	EN33	EN33	EN33	EN33
EN34	EN34	EN34	EN34	EN34	EN34	EN34	EN34	EN34
EN35	EN35	EN35	EN35	EN35	EN35	EN35	EN35	EN35
EN36	EN36	EN36	EN36	EN36	EN36	EN36	EN36	EN36
EN37	EN37	EN37	EN37	EN37	EN37	EN37	EN37	EN37
EN38	EN38	EN38	EN38	EN38	EN38	EN38	EN38	EN38
EN39	EN39	EN39	EN39	EN39	EN39	EN39	EN39	EN39
EN40	EN40	EN40	EN40	EN40	EN40	EN40	EN40	EN40
EN41	EN41	EN41	EN41	EN41	EN41	EN41	EN41	EN41
EN42	EN42	EN42	EN42	EN42	EN42	EN42	EN42	EN42
EN43	EN43	EN43	EN43	EN43	EN43	EN43	EN43	EN43
EN44	EN44	EN44	EN44	EN44	EN44	EN44	EN44	EN44
EN45	EN45	EN45	EN45	EN45	EN45	EN45	EN45	EN45
EN46	EN46	EN46	EN46	EN46	EN46	EN46	EN46	EN46
EN47	EN47	EN47	EN47	EN47	EN47	EN47	EN47	EN47
EN48	EN48	EN48	EN48	EN48	EN48	EN48	EN48	EN48
EN49	EN49	EN49	EN49	EN49	EN49	EN49	EN49	EN49
EN50	EN50	EN50	EN50	EN50	EN50	EN50	EN50	EN50
EN51	EN51	EN51	EN51	EN51	EN51	EN51	EN51	EN51
EN52	EN52	EN52	EN52	EN52	EN52	EN52	EN52	EN52
EN53	EN53	EN53	EN53	EN53	EN53	EN53	EN53	EN53
EN54	EN54	EN54	EN54	EN54	EN54	EN54	EN54	EN54
EN55	EN55	EN55	EN55	EN55	EN55	EN55	EN55	EN55
EN56	EN56	EN56	EN56	EN56	EN56	EN56	EN56	EN56
EN57	EN57	EN57	EN57	EN57	EN57	EN57	EN57	EN57
EN58	EN58	EN58	EN58	EN58	EN58	EN58	EN58	EN58
EN59	EN59	EN59	EN59	EN59	EN59	EN59	EN59	EN59
EN60	EN60	EN60	EN60	EN60	EN60	EN60	EN60	EN60
EN61	EN61	EN61	EN61	EN61	EN61	EN61	EN61	EN61
EN62	EN62	EN62	EN62	EN62	EN62	EN62	EN62	EN62
EN63	EN63	EN63	EN63	EN63	EN63	EN63	EN63	EN63
EN64	EN64	EN64	EN64	EN64	EN64	EN64	EN64	EN64
EN65	EN65	EN65	EN65	EN65	EN65	EN65	EN65	EN65
EN66	EN66	EN66	EN66	EN66	EN66	EN66	EN66	EN66
EN67	EN67	EN67	EN67	EN67	EN67	EN67	EN67	EN67
EN68	EN68	EN68	EN68	EN68	EN68	EN68	EN68	EN68
EN69	EN69	EN69	EN69	EN69	EN69	EN69	EN69	EN69
EN70	EN70	EN70	EN70	EN70	EN70	EN70	EN70	EN70

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Traffic and Highways		MAJOR EXPECTED OUTCOME		IMPACT ON:		Sustainability		Risk		Score		
PROJECT DESCRIPTION		Equalities		Select up to 3 services				Likelihood		Impact		
2013/15 Flood and Water Management Schemes This is work covered by the Flood Action Plan which has to be approved by the Environment agency.		To meet legislative requirements		Equally analysis to be undertaken		Highways - positive impact		Impact on flood plains / drainage systems		1	1	1
2013/14 Grounds maintenance contract		Improved customer satisfaction		Equally analysis to be undertaken		Highways - positive impact Parks and Green Spaces - positive impact		Impact on transport emissions		2	3	6
2013/14 Street Lighting contract This is decided upon whether the Street lighting contract should be extended		Improved customer satisfaction		Equally analysis to be undertaken		Highways - positive impact Parks and Green Spaces - positive impact		Impact on transport emissions		1	2	2
2013/15 Delivery of Mitcham Town Centre scheme Major improvement to road network around Mitcham Town Centre		Improved resident well being		Equally analysis to be undertaken		Highways - positive impact Future Merton - positive impact		Not applicable		4	3	12
2013/15 Ride London Delivery of London - Surrey Cycle Road Race		Improved reputation		Equally analysis to be undertaken		Whole organisation - positive impact		Not applicable		1	1	1

Transport - Commissioning

Select your Cabinet Member & Portfolio

Enter a concise description of your main activities/objectives below:

To provide a comprehensive effective transport service, in support of the user departments such as Children Schools & Families and Community & Housing and including Waste Operations and the rest of the council who use transport or associated services.

Objectives

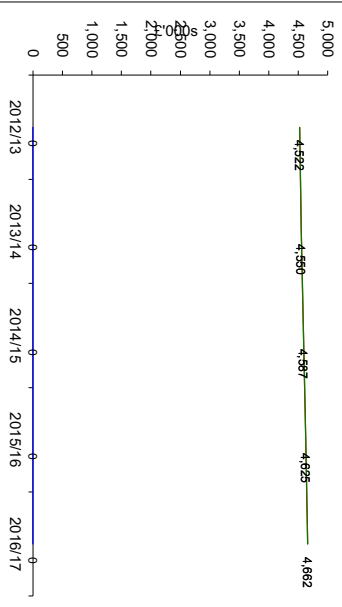
- Ensuring that the service provides effective value for money while still meeting customers expectations.
- Procurement of goods & services for the workshop area.

PLANNING ASSUMPTIONS

	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand	Corporate strategies your service contributes to	Workforce Development
CSF Passenger Journeys - Contractors	162000	95000	95000	95000	95000	Customer demand - Internal	Children & Young person's Plan	Ageing workforce
CSF Passenger Journeys - In-House	61700	70000	70000	70000	70000	Customer demand - Internal	Adult Treatment Plan	Learning & Dev.
C&H Passenger Journeys - Contractors	48000	48000	50000	50000	50000	Customer demand - Internal	Social Inclusion Strategy	
C&H Passenger Journeys - In-House	93500	85000	85000	80000	80000	Customer demand - Internal	Customer Services Strategy	
Anticipated supply						Key drivers of supply	Waste Management Plan	
Commissioned Taxi services	34	34	34	34	34	Economic		
Staff (FTE)	8	9	9	9	9	Economic		
Fleet Supply	220	192	192	192	192	Economic		

	2012/13	2013/14	2014/15	2015/16	2016/17	Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
Performance Indicator									
Spot checks on contractors	30	50	50	50	50	High	Monthly	Business critical	Reduced customer service
% Turn around of Req forms - 3 days	90	90	95	95	95	High	Quarterly	Outcome	Customer hardship
% Turn around of Req forms - 10 days (complex clients)	90	90	95	95	95	High	Quarterly	Outcome	Customer hardship

DEPARTMENTAL BUDGET AND RESOURCES



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
1	Closer Working with Melton Community Transport	1	2	1	1	1	1	1
2		2	2	2	2	2	2	2
3		3	3	3	3	3	3	3
4		4	4	4	4	4	4	4
5		5	5	5	5	5	5	5
6		6	6	6	6	6	6	6
7		7	7	7	7	7	7	7
8		8	8	8	8	8	8	8
9		9	9	9	9	9	9	9
10		10	10	10	10	10	10	10

	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget £'000s	4,522	4,550	4,587	4,625	4,662
Expenditure	4,522	4,550	4,587	4,625	4,662
Employees	387	387	387	387	387
Premises	64	67	68	69	70
Transport	2,330	2,330	2,365	2,400	2,435
Supplies and Services	67	67	68	69	70
3rd party payments	30	30	30	31	31
Support services	1,160	1,174	1,174	1,174	1,174
Depreciation	514	515	515	515	515
Income	4,560	4,560	4,587	4,625	4,662
Government grants	0	0	0	0	0
Other reimbursements	2	2	2	2	2
Customer and client receipts	3,850	3,878	3,915	3,953	3,990
Recharges	670	670	670	670	670
Reserves	0	0	0	0	0
Capital Funded	0	0	0	0	0
NET BUDGET	43	133	1,839	1,839	1,839
Capital Budget	0	0	0	0	0
Other	43	133	2,500	2,500	2,500
ITF	2,625	1,919	1,839	1,839	1,839

Finance Comments: Capital Budget or otherwise)

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Transport - Commissioning		MAJOR EXPECTED OUTCOME		IMPACT ON:			Risk	
PROJECT DESCRIPTION		Equalities		Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Closer Working with Merton Community Transport		More efficient way of working		Transport - no impact	Not applicable	2	2	4
Working closer with Merton Community Transport to find ways of improving services, and providing training. Merton have made available to MCT the fuel bunker to reduce MCT costs, and further work in being carried regarding vehicle utilisation, and vehicle procurement		No impact						
2014/15 Passenger Transport Provision Framework		To meet budget savings		Whole organisation - positive impact	Not applicable	2	2	4
Passenger Transport Framework 4 year contract due to expire August 2015. Lasting with neighbouring boroughs (Sutton & Kingston) for the possibility to work together in providing this service.		No impact						
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Transport - Passenger Fleet

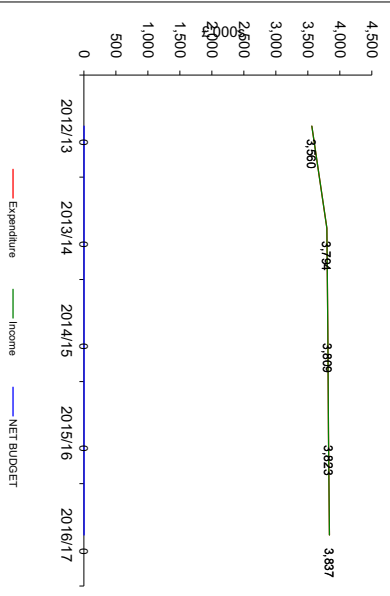
Clr Andrew Judge Cabinet Member for Sustainability & Regeneration
Enter a concise description of your main activities/objectives below:
 Merton Transport Services provides transport and fleet support.

We provide transport for adults and children who have special needs. Working in conjunction with our partners at Special Educational Needs (SEN) and Adult Social Care offering transport support. We operate a fleet of welfare vehicles that are fully accessible by all. Transport can be provided to day centres and schools as well as other journeys as required.

Full fleet management is provided to support the council's fleet of vehicles. This includes all servicing, repairs, maintenance and Operators Licence requirements. In addition, we assist client departments such as Waste Services, in developing vehicle specifications and advise on vehicle types to enable solutions for operational problems to be resolved.

- Objectives**
- Merton Transport Services will provide a comprehensive and efficient transport services
 - We will support user departments including Community & Housing, Childrens Schools and Families, Waste Operations and all other departments that require transport support.
 - We will ensure legal compliance with regard to all statutory requirements for road transport services including Operators Licence requirements.

DEPARTMENTAL BUDGET AND RESOURCES



Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	3,560	3,794	3,809	3,823	3,837
Income	3,794	3,794	3,809	3,823	3,837
Government grants	0	0	0	0	0
Other reimbursements	0	0	0	0	0
Customer and client receipts	2,478	2,712	2,727	2,741	2,755
Recharges	1,082	1,082	1,082	1,082	1,082
Capital Funded	0	0	0	0	0
NET BUDGET	0	0	0	0	0
Capital Budget	974	500	500	500	500

PLANNING ASSUMPTIONS

	2012/13	2013/14	2014/15	2015/16	2016/17	Corporate strategies your service contributes to	Workforce Development
Anticipated demand							
C&H Passenger Journeys	93,500	85,000	85,000	80,000	80,000	Children & Young person's Plan	Ageing workforce
CS&F passenger Journeys - in house	61,700	70,000	70,000	70,000	70,000	Community Plan	Sickness
Maintenance repair of fleet vehicles	220	200	200	200	200	Customer demand - Internal	
Anticipated supply						Key drivers of supply	
Staff (FTE)	86	87	87	87	87	Economic	
Transport	51	46	46	46	46	Economic	

Performance Indicator	Performance targets (indicate if % target)					Parity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
	2012/13	2013/14	2014/15	2015/16	2016/17				
% MOT Vehicle pass rate	95	95	95	95	95	High	Quarterly	Outcome	Reduced service delivery
Average % Passenger vehicles in use	65	65	65	70	70	High	Quarterly	Unit cost	Increased costs
% In house journey that meet timescales	85	85	85	85	85	High	Quarterly	Outcome	Increased costs
% Client user satisfaction	97	97	97	97	97	High	Annual	Outcome	Reduced uptake of service

BRIEFLY DETAIL YOUR MAJOR WORK/PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	2015/16	2016/17	Project	2015/16	2016/17
1	Completion of bay extension	1				1		
2	Closer working with Merton Community Transport	2				2		
3	Tachograph Facility	3				3		
4		4				4		
5		5				5		
6		6				6		
7		7				7		
8		8				8		
9		9				9		
10		10				10		

2013/14

2014/15

ACTIONS AND SAVINGS

2015/16

2016/17

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Employees	1,674	1,663	1,663	1,663	1,663
Premises	49	34	35	35	36
Transport	665	915	928	941	953
Supplies and Services	24	63	64	65	66
3rd party payments	0	0	0	0	0
Support services	1,148	1,119	1,119	1,119	1,119
Depreciation	0	0	0	0	0
Income	3,560	3,794	3,809	3,823	3,837
Government grants	0	0	0	0	0
Other reimbursements	0	0	0	0	0
Customer and client receipts	2,478	2,712	2,727	2,741	2,755
Recharges	1,082	1,082	1,082	1,082	1,082
Capital Funded	0	0	0	0	0
NET BUDGET	0	0	0	0	0
Capital Budget	974	500	500	500	500

Finance Comments (Capital Budget or otherwise)

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Transport - Passenger Fleet		MAJOR EXPECTED OUTCOME		IMPACT ON:		Risk		Score
PROJECT DESCRIPTION		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact		
1	<p>2013/14 Completion of bay extension</p> <p>In order to meet our obligations with regard to vehicle maintenance within the changing roles of Waste Operations, we need to be able to work on vehicles into the evening. At present this is not possible as the current workshops were not designed for refuse vehicle maintenance. A three bay workshop extension will enable evening work to be carried out.</p>	More efficient way of working	No impact	Whole organisation - positive impact Waste Management - positive impact	Not applicable	2	2	4
2	<p>2013/15 Closer working with Merton Community Transport</p> <p>Closer working with the voluntary sector has been identified as an objective to improve services. We are looking at ways to better cooperate with Merton Community Transport. So far we have an arrangement to supply fuel to them and we are now looking at vehicle maintenance and vehicle utilisation.</p>	More efficient way of working	No impact	Adult Social Care - positive impact	Community outreach	2	2	4
3	<p>2013/15 Tachograph Facility</p> <p>At the present time there is no tachograph repair facility within the borough. We have to visit a Tachograph Centre 40+ times a year. We are investigating the viability of operating an in house repair centre that could both repair LB Merton Vehicles as well as taking on 3rd party work.</p>	Income generation	No impact	Transport - positive impact Waste Management - positive impact	Impact on transport emissions	2	2	4
4								
5								
6								
7								
8								
9								
10								

Waste Management

Cll Mark Betteridge Cabinet Member for Performance & Implementation

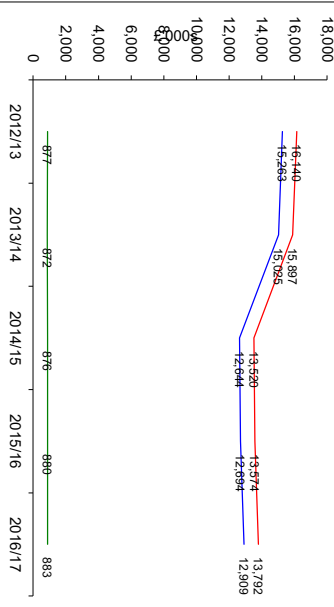
Enter a concise description of your main activities/objectives below:

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.

Objectives

- 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.

DEPARTMENTAL BUDGET AND RESOURCES



	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue Budget £'000s	16,140	15,897	13,520	13,574	13,792
Expenditure	16,140	15,897	13,520	13,574	13,792
Employees	3,313	3,466	3,352	3,304	3,356
Premises	185	128	129	131	133
Transport	1,560	1,518	1,541	1,498	1,520
Supplies and Services	513	573	581	590	598
3rd party payments	8,557	8,395	6,100	6,234	6,368
Transfer Payments	2	2	2	2	2
Support services	1,569	1,454	1,454	1,454	1,454
Depreciation	441	361	361	361	361
Income	877	872	876	880	883
Government grants	0	0	0	0	0
Other reimbursements	0	0	0	0	0
Customer and client receipts	274	274	278	282	285
Recharges	603	598	598	598	598
Reserves	0	0	0	0	0
Capital funded	0	0	0	0	0
NET BUDGET	15,263	15,026	12,644	12,694	12,909
Capital Budget	952	131	90	90	

PLANNING ASSUMPTIONS

	2012/13	2013/14	2014/15	2015/16	2016/17
Anticipated demand					
Population	199,700	199,700	↔	↔	↔
Increased housing density	80,890	↔	↔	↔	↔
Household waste tonnage	71,000	↔	↔	↔	↔
Anticipated supply					
Staff	97	97	97	97	97
Transport	33	31	31	29	29

Performance Indicator	Performance targets (Indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
	2012/13	2013/14	2014/15	2015/16	2016/17				
% Household waste recycled	40	42	43	44	45	High	Monthly	Business critical	Reputational risk
% Residents satisfied with refuse collection	72	74	76	78	78	High	Annual	Perception	Reputational risk
Residual waste kg per household pa	525	512	504	496	483	Low	Monthly	Outcome	Increased costs
% Municipal solid waste landfilled	49	48	47	46	10	Low	Monthly	Outcome	Increased costs
Number of missed bins per 100,000	70	60	55	50	45	Low	Monthly	Outcome	Reduced customer service
Total waste arising from households	875	874	873	872	868	Low	Monthly	Outcome	Reputational risk
Days lost from through sickness per FTE	14	12	10	10	10	Low	Quarterly	Outcome	Increased costs
% Residents satisfied with recycling facilities	70	73	76	79	79	High	Annual	Perception	Reputational risk
No. Town Centre FPN's issued	250	750	1000	1000	800	High	Annual	Output	Reduced customer service

BRIEFLY DETAIL YOUR MAJOR WORK/ PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	2014/15	2015/16	2016/17	Project	2015/16	2016/17
1	South London waste partnership (phase B)	1			1		
2	Public value review between Dec 2013 and May 2014	2			2		
3	Double shifting domestic flats reduce 2 fleet vehicles	3			3		
4	Improved enforcement regime to support time-banding in town centres	4			4		
5	Review of Phase A contract	5			5		
6	SLWP review Phase C	6			6		
7		7	Mobile technology including GPS and in cab monitors		7		
8		8			8	Double shift garden waste collection vehicles reduce 2 x vehicles	
9		9			9		
10		10			10		

ACTIONS AND SAVINGS

	2013/14	2014/15	2015/16	2016/17
EN15	25	165	100	
EN15 & EN17			EN14	
ER18	68		EN16	
ER17	191	2,029	EN18, EN21 & ER17	
NET BUDGET	15,263	15,026	12,644	12,694
Capital Budget	952	131	90	90
Finance Comments (Capital Budget or otherwise)			166	0

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Waste Management		MAJOR EXPECTED OUTCOME		IMPACT ON:		Sustainability		Risk		
PROJECT DESCRIPTION		Equalities		Select up to 3 services				Likelihood	Impact	Score
2013/14	South London waste partnership (phase B)	More efficient way of working	Equally analysis undertaken	Whole organisation - no impact	Recycling	2	4	2	4	8
2013/14	Public value review between Dec 2013 and May 2014	Improved customer satisfaction	Equally analysis to be undertaken	Waste Management - positive impact	Not applicable	2	2	2	4	4
2013/14	Double shifting domestic flats reduce 2 fleet vehicles	More efficient way of working	Equally analysis undertaken	Waste Management - no impact Transport - positive impact	Impact on transport emissions	2	3	2	3	6
2013/14	Improved enforcement regime to support time-handling in town centres	More efficient way of working	Equally analysis undertaken	Waste Management - positive impact	Waste	2	2	2	2	4
2013/14	Review of Phase A contract	More efficient way of working	Equally analysis undertaken	Waste Management - positive impact	Recycling	2	2	2	2	4
2013/14	SLWP review Phase C	More efficient way of working	Equally analysis undertaken	Waste Management - positive impact	Recycling	2	2	2	2	4
2014/15	Mobile technology including GPS and in cab monitors	More efficient way of working	Equally analysis to be undertaken	Waste Management - positive impact Transport - no impact	Impact on transport emissions	3	2	3	2	6
2015/16	Double shift garden waste collection vehicles - reduce 2 x vehicles	More efficient way of working	Equally analysis to be undertaken	Waste Management - neutral impact	Impact on transport emissions	3	2	3	2	6
	Issues with disposal licences may cause a delay to the commencement date of this project.									
9										0
10										0

Section F

List of Revenue Savings 2013/17

This is contained in the report as Section 2 - Appendix 9

Section G

Revenue Estimates 2012-13

This is contained in the report as Section 2 - Appendix 10

Glossary of Terms & List of Acronyms

BUSINESS PLAN - GLOSSARY OF TERMS
<p>ANNUAL MINIMUM REVENUE PROVISION</p> <p>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.</p>
<p>ASSET MANAGEMENT PLAN / REVIEW</p> <p>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.</p>
<p>BALANCES</p> <p>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.</p>
<p>BORROWING STRATEGY</p> <p>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.</p>
<p>BUDGET</p> <p>Statement of the spending plans for the year.</p>
<p>CAPITAL EXPENDITURE</p> <p>Expenditure on the acquisition of a fixed asset or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.</p>
<p>CAPITAL FINANCING REQUIREMENT (CFR)</p> <p>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.</p>
<p>CAPITAL PROGRAMME</p> <p>Is documentation which summarises the outcome of priority allocations contained in the capital strategy and details individual schemes for approval by Council / Cabinet.</p>
<p>CAPITAL PROGRAMME BOARD</p> <p>The Capital Programme Board ensures:</p> <ul style="list-style-type: none"> • 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 • oversees the Council's Accommodation and disposals strategy.
<p>CAPITAL PROJECTS / SCHEMES</p> <p>Capital Projects / Schemes is the level at which Member approval is obtained.</p>
<p>CAPITAL RECEIPTS</p> <p>Proceeds from the sale of fixed assets and repayments of capital grants and loans. These are divided into reserved and usable parts.</p>

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

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

This is the main source of local taxation to local authorities. It is levied on households within the authority's area and the proceeds are paid into the Collection Fund for distribution to precepting authorities and to the authority's own General Fund.

COUNTRY LIMITS

The current economic climate has not only affected companies and financial institutions; it has affected sovereigns 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.

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

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 corporation 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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

COUNTERPARTY DOWNGRADES

This is a reduction in the credit rating of an organisation during a periodic review.

EARMARKED CAPITAL REOURCES / GRANTS

Money received by the Authority which has certain conditions / restrictions over its use limiting the type of expenditure that it may be applied against.

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.

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...**HOUSING REVENUE ACCOUNT (HRA)**

This is a statutory account that shows all income and expenditure relating to the provision, management and maintenance of the Council's housing stock. The government defines the items of income and expenditure that must be included in the account. This account is ring-fenced under the Local Government and Housing Act 1989.

INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)

International Financial Reporting Standards are the standards that both the SORP and the UK GAAP are converging towards and local authorities have had to fully comply with since 2010/11 financial year

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

An amount levied by a local authority or other statutory body which is paid by the Council.

LIABILITIES

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

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

MERTON 2015 BOARD

Merton 2015 Board oversees the management and monitoring of the Merton 2015 programme and the promotion of best practices within the Council. Its work falls into four main areas:

- manage and monitor the Merton 2015 programme including giving the go ahead for new projects and project closure;
- steer the implementation and future development of the Merton 2015 programme;
- lead on developing and maintaining cross-cutting initiatives; and
- manage, co-ordinate and monitor business improvement activity across the council.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

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.

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.

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.

PRECEPTS

An amount collected by the Council as part of the Council Tax on behalf of another statutory body.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**PROFILE**

Refers to budget management, where 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.

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.

RESCHEDULING OF DEBT

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

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

RISK MANAGEMENT

A risk is a threat, obstacle, barrier, etc. 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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

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.

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 - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME

Aggregate start-up funding assessment

This is the total amount of funding that has been allocated to the local government sector in 2013-14. It is the adjusted local government spending control total for 2013-14.

Baseline funding level

The amount of a local authority's *start up funding assessment* which is provided through the *local share* of the estimated business rates aggregate at the outset of the scheme. It will form the baseline against which *tariffs* and *top-ups* will be calculated.

Billing authority

A local authority which bills and collects business rates, for example a district council or unitary council.

Billing authority business rates baseline

Determined by dividing the *local share* of the estimated business rates aggregate between billing authorities on the basis of their *proportionate shares*.

Central share

The percentage share of locally collected business rates that will be paid to central government by billing authorities. This will be set at 50 per cent. The *central share* will be re-distributed to local government through grants including the *Revenue Support Grant*.

Efficiency Support Grant

A grant awarded to local authorities who, in 2013-14 and 2014-15, would otherwise see a reduction of more than 8.8 per cent of their revenue spending power.

Estimated Business Rates Aggregate

The total business rates forecast to be collected by all billing authorities in England. This will include two adjustments, one to address volatility in outturn compared to forecast and the other to cover future appeals losses.

Floor damping

A method by which stability in funding is maintained through limiting the effect of reductions in grant. A floor guarantees a lower limit to year-on-year reductions in grant for each authority. The grant changes of authorities whose grants are above the floor are scaled back by a fixed proportion to help pay for the floor.

Formula funding

This refers to the element of the aggregate start-up funding assessment that used to be funded through formula grant and which is distributed according to a mathematical formula to individual local authorities.

BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...

Individual authority business rates baseline

Derived by apportioning the *billing authority business rates baseline* between billing and major precepting authorities on the basis of *major precepting authority shares*.

Individual authority start-up funding assessment

Referred to as start-up funding allocation in the technical consultation paper. A local authority's share of the *local government spending control total* which will comprise its *Revenue Support Grant* for the year in question and its *baseline funding level*.

Levy

A mechanism to limit disproportionate benefit from increase in business rates. The levy is applied proportionally on a 1:1 basis. Thus a 1 per cent increase in business rates income produces a corresponding 1 per cent increase in revenue from the rates retention scheme. There is a limit on the maximum levy rate of 50p in the pound. Levy payments will be used to fund the safety net.

Local government spending control total

The total amount of expenditure in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit allocated to the local government sector by HM Treasury for each year of a Spending Review. For 2013-14, this is equal to the start-up funding assessment.

Local share

The percentage share of locally collected business rates that will be retained by local government. This will be set at 50 per cent. At the outset, the *local share* of the estimated business rates aggregate will be divided between billing authorities on the basis of their *proportionate shares*.

Major precepting authority

A local authority that does not collect business rates but is part of the business rates retention scheme. They are county councils in two tier areas, single purpose fire and rescue authorities and the Greater London Authority.

Major precepting authority shares

Used to establish the proportion of the *local share* that is paid by a billing authority to its major precepting authorities. Also applied to *billing authority business rates baselines* to establish *individual authority business rates baselines* for both billing and major precepting authorities.

Multiplier

The business rates multiplier 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 prices index (although exceptionally a lesser increase may be imposed) and the other multiplier adjusted accordingly. There will be no change to the way in which multipliers are set as a result of the introduction of the business rates retention scheme.

BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...

New Burdens

The Government uses the New Burdens Assessment to keep pressure on council tax bills to a minimum. It requires all government departments to justify why new duties, powers, targets and other bureaucratic burdens should be placed on local authorities, as well as how much these policies and initiatives will cost and where the money will come from to pay for them.

National Non-Domestic Rates 1 Form (NNDR1)

The form submitted by 31 January by a billing authority to its major precepting authority and central government to provide an estimate of its business rate income for the upcoming financial year.

Proportionate Share

This is the percentage of the national business rates yield which a billing authority has collected - on the basis of the average rates collected by authorities over the two years 2010-11 and 2011-12. This percentage will be applied to the *local share* of the estimated business rates aggregate to determine the *billing authority business rates baseline*.

Rate reliefs

The rating system currently provides mandatory relief to charities and other categories of ratepayer (e.g. certain rural ratepayers) and permits authorities to grant discretionary relief to other rate payers. There will be no changes to the terms of existing mandatory and discretionary reliefs for businesses as a result of the introduction of the business rates retention scheme.

Relative Needs Formulae

These are the first stage in the calculation the Government uses to distribute formula funding.

Reset

New *baseline funding levels*, new *individual authority business rates baselines* (and therefore new *tariffs* or *top-ups*) are set for each authority to take account of changes in relative need and resource.

Reset period

The years between *resets* in which local authorities are able to retain (after taking into account the *levy* and payments owing to relevant shares) the growth in business rates income. It is the Government's intention that the initial *reset period* will run from 2013 to 2020, and thereafter for ten years.

Revenue Support Grant

All authorities will receive *Revenue Support Grant* from central government in addition to its *baseline funding level*. An authority's *Revenue Support Grant* amount plus its *baseline funding level* will together comprise its *start-up funding assessment*.

Ring-fenced grant

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

BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...

Safety net

Mechanism to protect any authority which sees its business rates income drop, in any year, by more than 7.5 per cent below their *baseline funding level*. The baseline funding levels are uprated each year by the September Retail Prices Index for the purposes of assessing eligibility for the safety net.

Safety net payment

A payment made by central government to local authorities who are eligible for safety net support. These are payable after the end of the financial year

Safety net payment on account

A safety net payment made to a local authority on the basis of forecast non domestic rating income. This means it will be made in year – in advance of the calculation of actual *safety net payments* - which will be calculated on the basis of audited accounts data following the end of that financial year. Any difference between the two amounts will be reconciled and corrected.

Safety net threshold

This is 92.5 per cent of a local authority's baseline funding level.

Service tiers

There are three service tiers corresponding to the services supplied by the three types of authorities. These are upper-tier services – those services, other than fire, supplied by county councils in two-tier areas; fire and rescue services; and lower-tier services – those services supplied by district councils in two-tier areas. Some authorities may provide more than one tier of service.

Spending Power

The definition of revenue spending power is spending power from council tax, Government revenue grants and National Health Service Funding for social care. The calculation of each local authority's spending power is used to calculate eligibility for Efficiency Support Grant.

Tariffs and top-ups

Calculated by comparing an *individual authority business rates baseline* against its *baseline funding level*. *Tariffs* and *top-ups* will be self-funding, fixed at the start of the scheme and index linked to the Retail Prices Index in future years.

Tariff authority

An authority with a higher *individual authority business rates baseline* than its *baseline funding level*, and which therefore pays a *tariff*.

Tariff payment

The payment made from tariff authorities to central government over the course of the financial year.

Top-up authority

An authority with a lower *individual authority business rates baseline* than its *baseline funding level*, and which therefore receives a *top-up*.

BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...

Top-up payment

The payment made from central government to top-up authorities over the course of the financial year.

Transitional protection payment

An adjustment to ensure that authorities do not experience gains or losses in rates income as a consequence of the transitional arrangements

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
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

<u>Acronym</u>	<u>Definition</u>
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
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

<u>Acronym</u>	<u>Definition</u>
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
PM&R	Pavement Maintenance and Repair
PPD	Public Protection and Development
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
SLA	Service Level Agreements
SLWP	South West London Partnership
SME	Subject Matter Expert
SMT	Senior Management team
SOAs	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

Request for document translation

Business Plan 2013 / 2017

If you need any part of this document explained in your language, please tick box and contact us either by writing or by phone using our contact details below.

- Albanian** Nëse ju nevojitet ndonjë pjesë e këtij dokumenti e shpjeguar në gjuhën amtare ju lutemi shenojeni kutinë dhe na kontaktoni duke na shkruar ose telefononi duke përdorur detajet e mëposhtme.
- Bengali** এই তথ্যের কোনো অংশ আপনার নিজ ভাষায় বুঝতে চাইলে, দয়া করে বাক্সটিতে (বক্সে) টিক চিহ্ন দিন এবং চিঠি লিখে বা ফোন করে আমাদের সাথে যোগাযোগ করুন। নিচে যোগাযোগের বিবরণ দেওয়া হয়েছে।
- French** Si vous avez besoin que l'on vous explique une partie de ce document dans votre langue, cochez la case et contactez-nous par courrier ou par téléphone à nos coordonnées figurant ci-dessous.
- Korean** 만일 본 서류의 어떤 부분이라도 귀하의 모국어로 설명된 것이 필요하다면, 상자속에 표시를 하고 우리에게 전화나 서신으로 연락하십시오.
- Polish** Aby otrzymać część tego dokumentu w polskiej wersji językowej proszę zaznaczyć kwadrat i skontaktować się z nami drogą pisemną lub telefoniczną pod poniżej podanym adresem lub numerem telefonu.
- Portuguese** Caso você necessite qualquer parte deste documento explicada em seu idioma, favor assinalar a quadrícula respectiva e contatar-nos por escrito ou por telefone usando as informações para contato aqui fornecidas.
- Somali** Haddii aad u baahan tahay in qayb dukumeentigan ka mid ah laguugu sharxo luqaddaada, fadlan sax ku calaamadee sanduuqa oo nagula soo xiriir warqad ama telefoon adigoo isticmaalaya macluumaadka halka hoose ku yaalla.
- Spanish** Si desea que alguna parte de este documento se traduzca en su idioma, le rogamos marque la casilla correspondiente y que nos contacte bien por escrito o telefónicamente utilizando nuestra información de contacto que encontrará más abajo.
- Tamil** இந்தப் பத்திரத்தின் எந்தப் பகுதியும் உங்களின் மொழியில் விளக்கப்படுவது உங்களுக்கு வேண்டுமானால், தயவுசெய்து பெட்டியில் அடையாளமிட்டு, கீழுள்ள எங்களின் விபரங்களைப் பயன்படுத்தி எழுத்துமூலமாக அல்லது தொலைபேசி மூலமாக எங்களைத் தொடர்புகொள்ளவும்.
- Urdu** اگر آپ اس دستاویز کے کسی حصے کا ترجمہ اپنی زبان میں حاصل کرنا چاہتے ہیں تو دئیے گئے باکس میں صحیح کا نشان لگائیے اور ہمارے درج ذیل رابطے پر یا ٹیلیفون کے ذریعے یا پھر تحریری طور پر رابطہ کریں۔

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SECTION 2: GENERAL FUND REVENUE BUDGET AND COUNCIL TAX STRATEGY

1. Background to Financial Planning

1.1 The new approach to Medium Term Financial Planning introduced last year has been retained and this has provided much more flexibility in decision making and enabled 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 2013/14 to 2016/17 starts from the approved budget 2012/13 and is built up showing the cumulative effect of variations over the period. The initial re-priced MTFS was reported to Cabinet on 2 July 2012 as follows:

Table 1: Initial Re-priced MTFS

	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Departmental Base Budget 11/12	140,853	140,853	140,853	140,853
Departmental Budget Changes	(6,195)	(7,266)	(2,616)	835
Departmental Re-priced Budget	134,658	133,587	138,237	141,688
Treasury items	16,103	17,293	17,754	17,754
Other Corporate items	(13,900)	(12,225)	(11,826)	(11,827)
Levies	647	660	672	686
BUDGET REQUIREMENT	137,508	139,315	144,837	148,301
FUNDING *				
Formula Grant/Business Rates	(52,970)	(46,900)	(46,900)	(46,900)
Council Tax income	(82,887)	(83,252)	(83,617)	(83,982)
TOTAL FUNDING	135,857	130,152	130,517	130,882
GAP (Cumulative)	1,651	9,163	14,320	17,419

* Based on the 2012/13 funding regime, subsequently adjusted for the localisation of business rates and new council tax support scheme.

1.3 Since then, reports to Cabinet on 22 October 2012, 10 December 2012, 21 January 2013, and 18 February 2013 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 2013-17. 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. In particular, forecasting the level of funding due to the changes arising from the Business Rate Retention Scheme, localising support to Council Tax and technical reforms of council tax has been undertaken as more information has become available.

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 2013-2017. 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 2013/14. There are a number of ways in which a balanced budget is achieved:

- Reducing expenditure/costs;
- Increasing savings/reductions or 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 met again during January 2013 and their feedback on the Council's spending proposals was set out in a report to Cabinet on 18 February 2013 (agenda item 5). A further meeting of the Overview and Scrutiny Commission will be held on 28 February 2013 and a supplementary report will be provided prior to Council if necessary.

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 2013/14 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. The detailed MTFS is included in Appendix 7.

1.6 Review of previous year's Savings

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

Table 2: Full Year Effects of previous years savings

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Children, Schools and Families	(822)	(710)	0	0
Corporate Services	(555)	(314)	0	0
Environment and Regeneration	(2,038)	(2,197)	0	0
Community and Housing	(6,317)	(1,625)	0	0
	(9,732)	(4,846)	0	0

1.6.2 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 2013-17.

1.6.3 Cabinet on 22 October 2012 considered revisions to current savings proposals from Children, Schools and Families, Environment and Regeneration and Corporate Services. The overall impact of these proposed amendments on the MTFS is as follows:-

Table 3: Revisions to current savings

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
CSF	0	0	0	0
E&R	600	(600)	0	0
CS	31	(31)	0	0
Total	631	(631)	0	0

1.6.4 Further revisions to existing savings were agreed by Cabinet on 10 December 2012 but there was no overall change to the level of savings in each year.

1.6.5 One of the key objectives is to balance the budget and one of the shortcomings of the process in previous years, which the Council started to address last year, has been the inability to look over a long-term period and identify significant savings over more than one year.

1.6.6 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. A four year planning horizon including the current year has been introduced.

1.7 Growth

1.7.1 The MTFS agreed by Council in March 2012 includes £1m p.a. for adult social care placements. This has been included for prudent planning purposes but greater rigour is needed in demonstrating this need for future years alongside options to manage the spending pressure, which has the potential to be an option to help balance the budget.

1.7.2 The growth included in the MTFS is summarised in the following table:

Table 4: Growth Contained with the Current MTFS

Revised Growth	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
C&H	1.000	2.000	3.000	4.000
Total	1.000	2.000	3.000	4.000

2. **Local Government Finance Settlement 2013-15**

2.1 The financial projections in the report to Cabinet on 21 January 2013 were based on the information as announced in the provisional Local Government Finance Settlement on 19 December 2012. The Final Local Government Finance Settlement figures were published on 4 February 2013 and included in the report to Cabinet on 18 February 2013. This report includes the most up to date information available.

2.2 As explained in previous reports there have been some significant changes to the funding methodology for 2013/14 onwards. Details of the Final Settlement for 2013-15 were not announced until 4 February 2013 which is significantly later than in previous years.

2.3 Details of the Final Local Government Settlement are included in Appendix 2.

2.4 A summary of how the new funding regime operates, with revisions to the Collection Fund and Council Tax Base calculation, with particular emphasis on the implications for Merton, is provided 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 2013/14.

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

In the June 2010 Budget, the Government announced a two year pay freeze from 2011-12 for public sector workers earning over £21,000, with those earning less than this receiving at least £250 in each year.

In the Autumn Statement announced in November 2011, the Chancellor of the Exchequer announced that "in order to maintain economic stability and meet its fiscal rules, the Government will set public sector pay awards at an average of one per cent for each of the two years after the current pay freeze comes to an end (i.e. 2013/14 and 2014/15). Departmental budgets will be adjusted in line with this policy, with the exception of the health and schools budgets, where the money saved will be recycled."

The pay freeze has held in place for three years up to and including 2012/13. The National Joint Council (NJC) Trade Unions has submitted the following claim with the Local Government Employers for a pay increase for its members in 2013 - 2014:

"A substantial flat rate increase on all scale points as a step towards the longer term objective of restoring pay levels and achieving the living wage as the bottom NJC spinal column point."

If the Government is successful in achieving a pay freeze up to and including 2014/15, the current provision in the MTFs will be more than is required. The MTFs reported to Cabinet during the budget process includes the following assumptions about pay inflation:-

Table 5: MTFS General Pay Inflation Provision

	2013/14	2014/15	2015/16	2016/17
Pay inflation in MTFS (%)	1%	1%	2%	2%
Estimate (cumulative £000)	790	1,580	3,160	4,740

3.3.3 Prices

The level of inflation has been high for some time and continues to exceed the Government's target level of 2% for CPI inflation. Inflation has not fallen as quickly back to target as many analysts predicted, due to continuing economic difficulties and uncertainty.

CPI annual inflation stands at 2.7 per cent in January 2012, unchanged since October 2012. The main upward pressures came from alcohol and air fares. Downward pressures in miscellaneous goods and services, and clothing were the main cost reductions which offset the increase.

RPI annual inflation stands at 3.3% in January 2013, up from 3.1 per cent in December 2012.

Outlook for inflation:

On 7 February 2013, the Bank of England's Monetary Policy Committee voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

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

Table 6(a): Forecasts of CPI and RPI Inflation Trends

Source: HM Treasury - Forecasts for the UK Economy (January 2013)			
	Lowest %	Highest %	Average %
2012 (Quarter 4)			
CPI	2.1	2.9	2.6
RPI	2.8	3.3	3.1
2013 (Quarter 4)			
CPI	1.7	3.3	2.3
RPI	1.7	3.6	2.7

The Government's Autumn Statement and the Office for Budget Responsibility's (OBR) "Economic and Fiscal Outlook – 2012" were published in December.

The OBR's forecast overview of CPI until 2017 is set out in the table below:-

Table 6(b): Office for Budget Responsibility's (OBR) Forecasts of CPI

Percentage Change %	Outturn 2011	2012	2013	2014	2015	2016	2017
CPI	4.5%	2.8%	2.5%	2.2%	2.0%	2.0%	2.0%

The Bank of England published its Inflation Report for February 2013 and concluded that as far as the prospects for inflation are concerned:-
 "The UK economy is set for a slow but sustained recovery, aided by a further easing in credit conditions and some improvement in the global environment. The pace of the recovery is likely to be subdued by historic standards, and the risks remain weighted to the downside, albeit to a lesser extent than in November.

CPI inflation is likely to rise further in the near term, and may remain above the 2% target for the next two years. That is a higher profile than three months ago, and partly reflects a persistent inflationary impact both from 'administered and regulated' prices and from the recent decline in sterling. Inflation is expected to fall back to around the target by the end of the forecast period, as a gradual revival in productivity dampens domestic cost growth, and external price pressures fade."

The current assumptions regarding price inflation incorporated into the MTFS are:-

Table 7: MTFS General Price Inflation Provision

	2013/14	2014/15	2015/16	2016/17
Price inflation in MTFS (%)	1.5%	1.5%	1.5%	1.5%
Estimate (cumulative £000)	2,230	4,461	6,691	8,922

Given the downward trend for inflation, albeit slower than anticipated, and analysts recent forecasts for it to continue to fall in 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

In recent years, provision has been included in the MTFS for a number of budgets where inflation traditionally exceeded the general level of price inflation. These budgets were reviewed earlier in 2011/12 and, based upon current projections for inflation it is considered that this provision should be

retained but held centrally for departments to bid for, subject to identified criteria , demonstrable needs and review to test its validity.

Table 8: Central MTFS Inflationary Provision Above 1.5%

	2012/13	2013/14	2014/15	2015/16
Cumulative	£0.316m	£0.676m	£1.008m	£1.008m

3.4 Collection Fund

3.4.1 In preparing the budget for 2012/13 the estimated surplus on the Collection Fund as at 31st March 2012 was £4.981m and this was shared £1.089m to the GLA and £3.891m to Merton. The 2011/12 audited total surplus on the Collection fund was, however, £6.212m as at 31st March 2012. The additional balance of £1.231m is shared £0.954m to Merton and £0.277km to the GLA. The further estimated surplus as at 31st March 2013 in respect of 2012/13 is £2.053m which is shared £0.462m to the GLA, and £1.591m to Merton. The increase in collection of council tax has been partially offset by a shortfall in bailiff income.

The original MTFS assumed that there would be a surplus of £1m p.a. in 2013/14. There will therefore be an additional £1.545m available to support the 2013/14 revenue budget. The following table summarises the position. The share of the surplus to Merton assumed in future years in the MTFS is £1.250m.

Table 9: Collection Fund – Share of surplus

	Total £m	Merton £m	GLA £m
Audited Surplus 31/03/2012	6.212	4.845	1.367
Payments based on estimate	4.981	3.891	1.090
Balance	1.231	0.954	0.277
Forecast Surplus 2012/13	2.053	1.591	0.462
Total Available 2013/14	3.284	2.545	0.739
Assumed in MTFS		1.000	
Additional Available		1.545	

3.4.2 The Collection Fund also accounts for National Non-Domestic Rates and there will be 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)

3.4.3 Collection Fund: Non-Domestic Rates element

Details on the Collection Fund and the different treatment of non-domestic rates arising from the Business Rates Retention Scheme are provided in Appendix 3.

3.5 Pension Fund

- 3.5.1 New staff and those with a relevant change of circumstances will be auto-enrolled into the pension scheme from April 2013. However, for staff who were already employed at 1st April 2013 but are not in an appropriate pension scheme, there are 2 options: enroll them all at that date or use transitional arrangements for them (not for new starters) to be enrolled at a later stage. There is a significant change in procedures to implement the new arrangements for existing staff, and there are significant penalties for those employers who fail to meet their staging date, with fines that can reach £10,000 per day and 2 years imprisonment in cases of willful non compliance. Given that the ITrent payroll project is still not producing satisfactory pensions data for our administrative purposes, and that there were just 4 months to the payroll deadlines for the deductions to commence, it was felt to be too high a risk to attempt to enroll existing staff from 1st April 2013, and a decision has been taken to defer auto-enrolment of existing staff until October 2017. Officers will be exploring the potential for bringing this date forward. Staff will need to be contacted and reminded of their right to join the pension scheme. This could produce an increased cost to the council (and schools) and a central provision will be required to cover this, until more accurate information is available. A central provision of £0.300m has been included in the MTFS for this purpose.
- 3.5.2 The new scheme from 2014 could produce a saving on the employers cost of future service from 2014 but a definitive cost will not be available until the 2014 valuation is complete. There is also the option of a 50:50 scheme, which it is thought will be more attractive to staff not currently in the scheme and new lower paid workers.
- 3.5.3 The 2014 valuation will also revise the deficit contribution required. This will be based upon the position at 31st March 2013. It is not possible at this stage to predict the outcome of the recent period of increasing longevity and troubled financial markets.

3.6 Single Status/Equal Pay

- 3.6.1 The Supreme Court recently ruled in a case against Birmingham City Council that equal pay claims can be lodged up to a period of six years after the event, rather than within a six month time limit. Whilst Merton has made good progress with Single Status and other issues, there is a risk that there

could be potential equal pay claims submitted. A provision has been set aside for this.

3.7 Concessionary Fares – 2013/14 Freedom Pass Settlement and Taxicards

(a) Taxicards

This scheme is administered by London Councils on behalf of London boroughs. London Councils have advised that the level of funding from TfL towards the scheme is reducing in 2013/14 and the cost of the scheme to Merton will increase from £134,230 in 2012/13 to £208,436 in 2013/14, an increase of £74,206. The MTFs includes an additional £31,000 for the cost of taxicards in 2013/14 so it will be necessary to add an additional £43,000 to the MTFs from 2013/14 onwards.

(b) Concessionary Fares and Freedom Passes

This scheme is also administered by London Councils on behalf of London boroughs. At its meeting on 13 December 2012, London Councils' Transport and Environment Committee (TEC) considered the Concessionary Fares 2013/14 Settlement and Apportionment and the options for 2014/15 onwards.

For 2013/14 the apportionment is £8,570,893, an increase of £448,483 on the 2012/13 budget of £8,122,410. The MTFs includes £0.407m for this so it is necessary to add about £41,500 to cover this increase

2014/15: TEC agreed that the change to usage for national rail and London Overground would be phased in over 3 years starting 2014/15. This is option 2 reported to Cabinet in January 2013. This means the following changes from the provision included in the MTFs agreed by Council in March 2012:-

Table 10: Concessionary Fares

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Estimated apportionment	42	21	0	0

The MTFs for 2015/16 and 2016/17, currently allows for increases of £0.448m and £0.440m respectively, and it is proposed to leave these unchanged at the moment due to the level of fare increase currently announced. This position will be kept under close review.

3.8 New Homes Bonus

3.8.1 The Government has top-sliced £500m in 2013-14 and £800m in 2014-15 from the local government spending control total to fund the New Homes Bonus. Any funding that is not needed for this will be redistributed

back to local authorities in proportion to their individual authority start-up funding assessment. As reported to Cabinet in January 2013, the provisional Settlement included a provisional allocation for Merton in 2013-14 of £2.458m. The final Settlement included an additional allocation of £0.266m in 2013/14 although it is not fully clear if this is continuing or merely the return of centrally retained money not required in year.

3.9 Agency Workers

3.9.1 In compiling the 2012/13 budget and MTFS, ongoing provision of £0.500m was included to recognise that there could be financial implications for the Council from the introduction of the new regulations which came into effect on 1st October 2011 giving agency workers, after 12 weeks of working on an assignment, the right to the same basic working and employment conditions that they would have been entitled to, had they been recruited directly by the organisation to do the same job.

3.9.2 However, the position has been closely monitored during 2012/13 as part of financial monitoring procedures and no requirement for the additional budget has been identified. It is therefore proposed to remove this from the budget and MTFS.

3.10 Localising Support for Council Tax

3.10.1 The MTFS provisionally included provision of £1.500m for the cost of reduced Government funding towards council tax benefit. The funding shown in the latest MTFS supersedes this figure.

Localising support for Council Tax: transitional grant scheme

The Department for Communities and Local Government is making available an additional £100m for one year to support local authorities in developing well-designed council tax support schemes and maintain positive incentives to work.

The grant will be payable in March 2013 to those authorities who adopt schemes that comply with criteria set by Government to ensure that low income households do not face an extensive increase in their council tax liability in 2013-14. This funding will enable councils to explore more sustainable approaches to managing the funding reduction that minimise the impact on vulnerable taxpayers.

The grant is £274,697 which includes an element of £76,142 payable to the GLA so the net amount payable to Merton is £198,555. It is for 2013/14 only.

Housing Benefit Administration Grant

The level of grant has been reduced. The budget for 2012/13 assumes grant of £1,592,820. The amount of grant expected in 2013/14 is £1,395,765 so an adjustment of £0.197m is required.

3.11 Technical Reforms of Council Tax

3.11.1 The MTFS provisionally assumed that there will be additional Council Tax of £1.400m arising from these changes. The funding shown in the latest MTFS supersedes this figure.

3.11.2 Both localising support and technical reforms have an impact on the Council's taxbase and details of this are included in Appendix 3.

3.12 Contingency

3.12.1 The budget approved for 2012/13 includes provision of £2m as a contingency to meet unforeseen cost and demand pressures, particularly those arising as the economy recovers from the recession.

3.12.2 It is proposed to reduce the contingency to £1.5m from 2013/14 going forwards but to review it regularly.

3.13 Vacancy Provision

3.13.1 An adjustment has been included in some service department employees budgets to reflect the fact that there will be times when some posts are vacant and therefore the budget is not being used. However, this can put pressure on employee budgets when turnover of staff is low and the opportunity is being taken to remove this adjustment from service budgets. The net provision for vacancy turnover provision in 2012/13 is £1.415m.

3.14 Income budgets

3.14.1 In the report to Cabinet on 10 December 2012, details were provided of the estimated additional income built into the MTFS assuming that fees and charges are increased by 2% where feasible. The overall impact of including 2% inflation on fees and charges budgets is

Table 11: Income

Income (cumulative £000)	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Departmental Fees & Charges	(669)	(1,338)	(2,007)	(2,676)

3.15 Customer Relationship Management Growth

3.15.1 As reported to Cabinet on 2 July 2012, the Customer Contact Options Appraisal report set out the implications of looking to improve the way we do business with our customers over the various channels of communication. There was some initial growth identified until the strategy and Customer Relationship Management (CRM) system is in place in order to realise further opportunities for efficiencies. The growth included within the MTFs is as set out below:

Table 12:

Growth	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
CRM	159	202	344	344

3.16 Landfill Tax

3.16.1 There will be an increase in landfill tax in 2013/14. The planning assumption on the budget was that this could be contained within the significant and continuing under spending on waste disposal. Savings proposals for 2014/15 have been based upon the current tax and cost and are based on a new contract. There will now need to be a provision of c. £400,000 in 2013/14 only.

3.17 Bad Debt Provision

3.17.1 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 2013/14, even under the current economic circumstances. The level of provision will be kept under review within the MTFs. This will, however, need to be kept under review as there is some evidence of some upward pressure on debt levels.

3.18 Contractors Health and Safety Scheme (CHAS)

3.18.1 At its meeting on 21 January 2013, Cabinet gave approval to the setting up of CHAS as a trading company. The aim of establishing CHAS as a company limited by shares is to enable it to embrace the significant opportunities that changes in recent years to local government legislation have permitted with regards powers to trade and which have recently been significantly supplemented by the enactment of the General Power of Competence in the Localism Act 2011. The change in status will also enable

the scheme to react more quickly to ever changing market conditions as well as taking up new opportunities.

3.18.2 The freedom provided by the trading vehicle should show an increase in future growth levels and profitability. The profit generated by CHAS can be maintained in the company and dividend income drawn when required to assist with the budget gap. The income from CHAS, the trading company, may be applied in to other areas of Merton's activities to support expenditure, subsidise services, or reduce council taxation.

3.18.3 The net budget for CHAS in 2012/13 is a credit of £1.226m.

3.18.4 The following financial assumptions have been made in the budget and MTFS:-

Table 13: CHAS

CHAS	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Removal of existing budgets	1,226	1,226	1,226	1,226
Dividend	0	0	(920)	(920)

3.19 Corporate provision for Utilities and energy measures

3.19.1 There is a corporate provision for energy costs and conservation investment. It is anticipated that in 2013/14 this can be used to fund ReFit schemes to provide guaranteed savings in future years. In 2014/15 this provision is available for either further conservation measures or to fund any increases in energy prices above core inflation.

3.20 Budgets previously funded by Schools as part of SLA arrangements

3.20.1 There are some budgets currently in the 2012/13 budgets which have been funded by Dedicated Schools Grant (DSG) as part of the schools SLA. Budgets within payroll (£60,000 w.e.f. 2014/15) and Human Resources (£86,000 w.e.f. 2013/14) will no longer be paid for from DSG.

3.21 Summary of Corporate and Technical Adjustments

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

4. **Departmental Savings**

4.1 Cabinet on 22 October agreed savings targets for each department as follows:-

Table 14: Target Savings

TARGET SAVINGS BY DEPARTMENT	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	Total £000s
Community and Housing	0	2,357	1,618	972	4,947
Children, Schools and Families	0	898	617	371	1,886
Environment and Regeneration	0	2,582	1,772	1,065	5,419
Corporate Services	0	1,675	1,150	691	3,516
Total Savings	0	7,512	5,157	3,099	15,768
Total Cumulative Savings	0	7,512	12,669	15,768	

- 4.2 Officers reviewed their services to identify options for delivering the savings targets set. On 10 December 2012, Cabinet reviewed the savings proposals put forward by officers and referred them to the Overview and Scrutiny panels and Commission for consideration in January 2013. The savings identified and reported to Cabinet on 10 December 2012 are summarised in the following table and detailed in Appendix 9:-

Table 15: Savings identified

IDENTIFIED SAVINGS BY DEPARTMENT	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	Total £000s
Community and Housing	0	1,190	1,414	1,608	4,212
Children, Schools and Families	0	175	631	250	1,056
Environment and Regeneration	0	1,759	783	580	3,122
Corporate Services	0	1,533	827	658	3,018
Total Savings	0	4,657	3,655	3,096	11,408
Total Cumulative Savings	0	4,657	8,312	11,408	

- 4.3 If departments are required to meet their targets the additional savings will amount to:-

Table 16: Difference with Target

(SHORTFALL)/SURPLUS	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	Total £000s
Community and Housing	0	(1,167)	(204)	636	(735)
Children, Schools and Families	0	(723)	14	(121)	(830)
Environment and Regeneration	0	(823)	(989)	(485)	(2,297)
Corporate Services	0	(142)	(323)	(33)	(498)
Total Savings	0	(2,855)	(1,502)	(3)	(4,360)
Total Cumulative Savings	0	(2,855)	(4,357)	(4,360)	

4.4 Feedback from the Scrutiny Process:-

4.4.1 Comments from the Overview and Scrutiny Commission on 31 January 2013 were provided in a separate report to Cabinet on 18 February 2013 (agenda Item 5).

4.4.2 The impact of the Overview and Scrutiny Commission's recommendations, if they are adopted, are summarised in tables 17-21 which follow:-

Table 17:

a) Proposals recommended for rejection.

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
CS47 – Saving from the London Councils Grants scheme in 2014/15 with potential similar savings in years 2 and 3.	87	26	28	141
CSF06 – DoE reprove via schools funding	25			25
EN07 – 1FTE reduction in enforcement team in 2016/17			53	53
EN10 – 1FTE reduction in enforcement team in 2015/16		35		35
EN38 – reductions in grants to Polka & Attic Theatres.		5	5	10
Total	112	66	86	264

Table 18:

b) Further work required on detail

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
EN44 – public value review savings in Green spaces	78	119	79	276
EN46 – parking charges in five parks.	44			44
CSF07 – del. 7FTEs in children's social care and youth incl.	100	220	100	420
ASC49 – day care workers to act as drivers/escorts. (N.B. Reduction from £50k to £30k of saving agreed in setting 2012/13 budget)	30			30
Total	252	339	179	770

4.4.3 If the proposals for rejection and where further work on detail was suggested were accepted, the impact would be to increase the budget gap as below:

Table 19:

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Total Reject and undertake further work	364	405	265	1,034

4.4.4 The commission also identified areas where it expressed its concerns or recommended proceeding with caution. It did not call for these items to be rejected.

Table 20:

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Note its concerns about deliverability due to dependence on the weather					
EN24 – Walksheets budget, urgent repairs only		50			50
EN25 – repairs to damaged gullies		18			18
EN26 – ditching to mitigate flood risk		11			11
Sub total		79	0	0	79
Recommended preceding with caution					
ASC 50 – reduced small group activities in day centres (N.B. Replacement for savings agreed in the 2012/13 budget no longer thought achievable)		116			116
ASC51 – reduction in infrastructure costs in vol. sector (N.B. Replacement for savings agreed in the 2012/13 budget no longer thought achievable)		98			98
ASC34 – brokerage service for care packages (N.B. Reduction from £135k to £100k of saving agreed in setting 2012/13 budget)	100				100
Sub total	100	214			314
Total Concerns and Caution	100	293	0	0	393

4.4.5 The commission also identified one saving it wished to see brought forward.

Table 21:

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Bring forward and introduce as soon as possible.				
EN05 – mobile phone payments for parking –		37		37

4.4.6 Cabinet reviewed the feedback from the Scrutiny process at its meeting on 18 February 2013 and the resolutions made are set out in Appendix 12.

4.5 Financial Implications of Changes arising from response to Scrutiny

4.5.1 As indicated in Appendix 12, in respect of the items recommended by Overview and Scrutiny Commission for rejection, Cabinet resolved that savings items EN07 and EN10 should not be taken. The other items recommended by the Overview and Scrutiny Commission for rejection were referred back to Overview and Scrutiny Commission for further review at its meeting on 28 February 2013.

4.6 Re-profiling of Environment and Regeneration Savings Proposals

- 4.6.1 At the Sustainable Communities Overview and Scrutiny Panel on 10 January 2013, officers were asked to see if any saving could be brought forward. Following a review, a number were identified and are summarised as set out in the following table and set out in detail in Appendix 9:-

Table 22:

E&R Savings 2013-17	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Agreed by Cabinet 10/12/12	0	(1,759)	(783)	(580)	(3,122)
Re-profiled	(215)	(1,578)	(757)	(572)	((3,122))
Change	(215)	181	26	8	0
Cumulative	(215)	(34)	(8)	0	0

- 4.6.2 These changes have been reflected in the draft MTFs shown in Appendix 7.

4.7 Summary of Revised Savings 2013-2017

- 4.7.1 As a result of the revisions agreed by Cabinet on 18 February 2013, the savings for 2013-17 are:-

Table 23:

Summary of Savings 2013-17	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Agreed by Cabinet 10 December 2012	0	(4,657)	(8,312)	(11,408)
Reprofiled E&R Savings (Table 22)	(215)	(34)	(8)	0
Do not take saving EN07	0	0	0	53
Do not take saving EN10	0	0	35	35
Cumulative	(215)	(4,691)	(8,285)	(11,320)

5. **Budgetary Control 2012/13**

- 5.1 The revenue budgetary control information contained in the table below summarises the corporate position using the latest available information as at 31st December 2012 as shown in a separate report on the agenda for this meeting. As at 31st December 2012, there is a forecast underspend for the Council of £4.313m, net of the amount set aside to fund capital expenditure in future years.
- 5.2 The underspend of £4.313m is made up as follows –

- departmental overspend £0.451m
- corporate underspend (£4.764m)

5.3 Sound financial management and continued robust challenge are resulting in lower levels of forecast spend at year-end. Where appropriate these reduced projections are being incorporated into the Medium Term Financial Strategy for 2013-17.

5.4 There is to be a programme of Public Value Reviews for the period 2013/14 to 2016/17 and one of the first tasks will be to build into the base budget any ongoing underspends from 2012/13 as a matter of course once the outturn has been confirmed. As previously reported to Cabinet, the opportunity has already been taken to incorporate into the MTFS, the financial implications of some ongoing underspends identified as part of financial monitoring. Ongoing savings already identified through budget monitoring are set out in the following table:-

Table 24:

	£000
Income from Adult Social Care	800
Waste Services	500
Single Status	351
Total	1,651

6. Capital Financing and Treasury Management

Treasury Management, Capital Financing and Investment Income:

6.1 Details are included in Section 1, Part A of this report. Capital financing costs are derived from the draft capital programme which is discussed in Section 1, Part A and estimated revenue funding is built into the MTFS for the level of borrowing that is expected.

6.2 There have been a number of issues related to managing and financing the capital programme and these have been reported throughout the year, both as part of regular monthly monitoring reports and reports on the business plan 2012-16.

6.3 The main issues relate to:-

- capitalisation
- re-venueisation
- revenue financing implications arising from slippage, re-profiling of the programme, reductions/deletions and growth in the programme

6.4 Capitalisation

The need/scope for capitalisation has continued to be reviewed during 2012/13 and it is considered that there is no current need for this over the current MTFS and capital programme period 2013-17.

6.5 Revenuisation and Other Revenue Contributions to Capital

It has also previously been reported to Cabinet that there is an ongoing review of classification of expenditure which has previously been budgeted for in the capital programme but has subsequently turned out to be revenue in nature. However, it is important that this expenditure takes place and additional amounts identified that were formerly included in the capital programme that need to be funded from revenue have been identified. There are also a variety of assets with a short economic life within the capital programme. In 2012/13 these will be revenuised and funded via a combination of any treasury management under spending in year and drawing down of earmarked reserves. This will provide a more sustainable medium term position. In 2013/14 it is proposed that provisions are set aside for re-enlisting such short life assets supplemented by earmarked reserves.

Table 25: Summary of Revenuisation/Revenue funding of capital

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Original MTFS	1,485	1,150	0	0	2,635
Revenuisation/RCCO	2,907	1,600	2,353	1,870	8,730
Total	4,392	2,750	2,353	1,870	11,365

6.6 Revenue implications arising from slippage, re-profiling and reductions/amendments and growth in the programme

Details relating to how the capital programme has changed from that approved by Council in March 2012 to the capital programme for 2013-17 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 2013-17.

6.7 In addition to reviewing the capital programme, focus has also been maintained on the treasury management aspects of funding the programme 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 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 2012/13 to

ensure that the revenue impact of the capital programme is minimised in 2013/14 and beyond.

- 6.8 The revenue budget implications of the capital programme 2013-17 compared to those included in the MTFs approved by Council in March 2012 are summarised in the following table:-

Table 26: Summary of Capital Financing Costs and movement since 2012/13

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Budgeted Capital financing costs of Programme approved by Council 7/03/2012	16,103	17,293	17,754	17,754
Change arising from recalculation of charges and review and re-profiling of capital programme as set out in Section 4	(2,225)	(2,941)	(2,424)	(920)
Estimated capital financing costs of Capital Programme 2013-17	13,878	14,352	15,330	16,834

- 6.9 These estimates have been updated since Cabinet on 18 February 2013 to take into account the latest monitoring information for 2012/13, based on January 2013 data. The analysis of the budget for capital financing costs and investment income is set out in the following table:-

Table 27: Details of Budgets for capital financing costs

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
MRP	7,569	7,991	8,783	9,242
Interest	6,692	6,692	6,900	7,892
Capital financing costs	14,261	14,683	15,683	17,134
Investment Income	(383)	(331)	(353)	(300)
Net	13,878	14,352	15,330	16,834

7. Balances and Reserves

- 7.1 The General Fund balance can be seen as an authority's working balance. In considering the budget plans for the next financial year it is also necessary to give some attention to the level of this working balance. In coming to this decision a number of issues should be considered. These are:
- (a) the retention of working balances to cushion cash flow variations and to avoid increased borrowing costs;
 - (b) the retention of sums to provide against inflation and pay awards being in excess of the assumptions made within the budget;
 - (c) the retention of sums to provide for contingent liabilities; or
 - (d) to meet unforeseen events.
- 7.2 General Fund and equivalent HRA balances were £13.975m as at 31st March 2012 (£14.566m in 2010/11), increased due to the closure of the Housing Revenue Account.
- 7.3 Details of reserves are provided in Appendix 8. At this stage it is not considered appropriate to take a positive decision to reduce the level of balances in an uncertain financial climate and also taking into account the gaps identified in the budgets for 2014/15, 2015/16 and 2016/17. In taking a decision on the level of balances, it is important to take into consideration current and future budget pressures and recognise that in order to set a balanced budget over the next four years there is a need for significant net reductions in the budget which inevitably will mean that there is very little room for manoeuvre in determining the level of balances. An additional risk factor from 2013/14 is the impact of the changes arising from localisation of council tax support and technical reforms to council tax and also the level of business rates appeals.
- 7.4 Incorporating the latest information, there is no change to the Council's current level of balances. It is currently proposed that the level of General Fund balances remains constant over the MTFs period. This will be subject to regular review.
- 7.5 The level of reserves and balances, as well as the level of contingencies available have been taken into account in assessing the robustness of the proposed budget. Account has also been taken, as far as possible, of the likely impact of expected legislative and technical changes. The report to Cabinet on 21 January discussed what an appropriate level of reserves might be.

7.6 In taking a decision on the level of balances, it is important to take into consideration current and future budget pressures and recognise that in order to set a balanced budget over the next four years there is a need for significant net reductions in the budget which inevitably will mean that there is very little room for manoeuvre in determining the level of balances.

7.7 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 £13.975m as shown in the final accounts for 2011/12.

Table 28:

	Min	Medium	Max
	£m	£m	£m
Level of balances	13.11	20.05	27.03

7.8 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 new 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. Regulations for this are yet to be produced. 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 29:

	£m
Net spending	8.1
Safety Net	2.4
Appeals	3.4
Level of balances	13.9

7.9 The average level of balances for outer London boroughs for 2011/12 was £14.2m, with a low of £7.1m and a high of £31.6m.

7.10 There has been a regular quarterly update on the use of earmarked reserves for 2012/13 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 £41.9m to £29.3m.

- 7.11 The average level of earmarked reserves for outer London boroughs for 2011/12 was £45.5m, with a low of £5.5m and a high of £75.5m.

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

- 8.1 As indicated in this and previous reports, there has been a fundamental change in the funding methodology for local government services. This is described and summarised in Appendix 3.
- 8.2 Prior to 2013/14 the main source of Government funding was known as formula grant and comprised Revenue Support Grant, and business rates being the authority's share of the national pool. In the new methodology, a local authority's share of the local government spending control total is referred to as its start up funding assessment. It comprises of its Revenue Support Grant and baseline funding level (Business Rates). The overall changes in formula grant/start up funding assessment compared to 2012/13, the base estimate for 2013/14 and the funding announced in the Final Local Government Finance Settlement are summarised in the following table. To enable like-for like comparison, the figures have been adjusted for rolled-in grants of £25.502m which were not included in the 2012/13 and base 2013/14 figures.

Table 30: Changes in Central Government Funding

	2012/13	2013/14 Original	2013/14 Final	2014/15 Provisional
	£m	£m	£m	£m
Formula Grant/Start Up Funding Assessment	59.961	52.970	79.241	71.680
Rolled in Grants	25.502	25.502	Included above	Included above
Total	85.463	78.472	79.241	71.680

9. Council Tax Strategy

- 9.1 In the Annual Residents Survey the residents' personal concerns over the level of council tax have continued to reduce and currently stand at 27%. The Residents' Survey for 2012 took place from 22 October 2012 until 23 November 2012 and the results of this year's survey were discussed at Cabinet on 18 February 2013 (agenda item 6).

9.2 Council Tax and Council Tax Freeze Grant

- 9.2.1 On 8 October 2012, the Chancellor of the Exchequer announced new support for local authorities in England to help them freeze council tax for a further year. Details provided by the Government on Council Tax Freeze Grant 2013/14 indicate that £450m will be set aside for local authorities in England. The £450m will be made available through a new grant scheme, to local authorities who decide to freeze or reduce their council tax next year. If they do, councils, police and fire authorities will stand to receive a share of £225m of funding in both financial years 2013-14 and 2014-15, equivalent to raising their 2012-13 council tax by one per cent.
- 9.2.2 The final Settlement includes £834,593 p.a. Council Tax Freeze Grant (equivalent to 1%) for Merton. This has been incorporated into the MTFS.
- 9.2.3 The Government has published an estimate of the Council Tax Freeze Grant each participating authority would receive. Grants will be finalised in March 2013 once authorities have reported the tax base underpinning their calculation of council tax for 2013/14.

In the announcement of the provisional Settlement 2013-15, the Secretary of State stated “just to be clear this year’s freeze grant goes into base for the spending review period and has the same status as every other item in base”.

9.2.4 Special expenses

All special items (other than parish precepts) are included in an authority's basic amount of council tax. Therefore, the average of all an authority's special items (including its special expenses) over the whole of its area is the amount that will be used to judge eligibility for the grant.

Any proposed council tax increase by Wimbledon and Putney Conservators would therefore be taken into account in assessing whether Merton is eligible for Council Tax Freeze Grant.

9.2.5 Capping of Council Tax increases

In addition to announcing the Council Tax Freeze Grant in 2013-14, the Government is proposing to lower the local authority tax referendum threshold to two per cent. This will mean that if a local authority seeks to raise its relevant basic amount of council tax by more than two per cent, residents will have the right to veto the proposed council tax increase through a binding referendum.

- 9.2.6 In relation to each financial year, all billing authorities, and local precepting authorities must determine whether their relevant basic amount of council tax is excessive. The main determinant of this is a comparison between the

relevant basic amount of council tax for the financial year under comparison and the immediately preceding financial year. An authority's relevant basic amount of council tax is the basic amount of council tax, adjusted to omit precepts, levies and special bodies. The Department of Communities and Local Government have set provisional amounts; termed (Alternative Notional Amounts (ANAs)) which they consider should be used as a basis for comparison between financial years. Merton's Alternative Notional Amount is £1,095.41. ANAs are being set to ensure that changes to council tax benefit which come into effect in 2013-14 are adjusted for authorities which collect levies on behalf of a levying body, to ensure that the comparison of the increase in relevant basic amount of council tax (which is basis upon which excessiveness is determined) is made on a like for like basis. This measure is not used to test whether an authority is eligible to receive council tax freeze grant.

10. Council Tax Base

10.1 Details of the council tax base and the changes in methodology arising from the introduction of the localisation of council tax support and technical reforms to council tax were provided to Cabinet on 21 January 2013. Details of the calculation are included as Appendix 3.

10.2 For 2013/14 the Council Tax Base has been calculated as:-

Council Tax Base 2013/14	66,981.2
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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 2013/14 the Council Tax Base for Wimbledon and Putney Commons Conservators has been calculated as:-

WPCC Council Tax Base 2013/14	9,645.2
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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 2 January 2013, the Mayor of London published his 2013-14 draft revenue budget and capital spending plan for consultation. This includes the

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) and the London Legacy Development Corporation (LLDC).

- 11.3 The proposed GLA Band D Council Tax for 2013/14 is £303.00 which is a reduction of £3.72 (1.2%) on the 2012/13 Band D Council Tax of £306.72.
- 11.4 The budget comprises of £220.25 to support the Metropolitan Police service, £50.65 for the London Fire Brigade, £29.73 for the GLA (Mayor and Assembly) and £2.37 for Transport for London (TfL).
- 11.5 Due to the changes arising from Business Rates Retention Scheme, localisation of council tax support and technical reforms to council tax, the timetable is demanding for both the GLA and the London boroughs that it precepts upon. All London boroughs were required to provide details of their NNDR1 returns and council tax base to the GLA by 31 January 2013. The timetable that the GLA is working to produced uncertainty into Merton's timetable and as a result when Cabinet met on 18 February 2013, the GLA precept was provisional.
- 11.6 The GLA budget timetable for 2013/14 is:-

2 Jan	Mayor's consultation budget published
25 Jan	Deadline for receipt of collection fund forecast surplus/deficit for 2012-13
31 Jan	Deadline for 2013-14 NNDR1, Council tax base, council tax support data
31 Jan	Mayor's draft budget issued
8 Feb	Assembly considers draft budget
15 Feb	Final draft budget issued plus draft council tax leaflet text/proposed precept
25 Feb	Final draft budget considered by Assembly followed by approval of final precept

- 11.7 The Assembly could have amended and agreed an alternative budget at its meetings on 8 February and 25 February by a two-thirds majority so the draft precept of £303.00 could have changed as a result. However, there was no change at the meeting on 25 February and therefore the GLA Band D council tax for 2013/14 of £303.00 was confirmed.

11.8 Other Levies

- 11.8.1 The Council is required by statute to pay certain levies to the organisations listed below. The levies for 2013/14 have been confirmed and are set out in the following table:-

Table 31: Other Levies

	2012/13 £000	2013/14 £000	2013/14 Change %
London Pension Fund Authority	253	268	+6.2%
Lee Valley Regional Park	215	220	+2.3%
Environment Agency	146	157	+7.8%

11.9 Wimbledon and Putney Commons Conservators (WPCC)

11.9.1 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 2013/14 will be £268,514.71, a change of £1,613.66 from the 2012/13 levy of £266,901.05, due to the changes in Council Tax base.

Table 32: Wimbledon and Putney Commons Conservators Precept

	2012/13 £000	2013/14 £000	Change %
Wimbledon & Putney Commons Conservators	267	269	0.6%

11.10 The levies/precepts information is used to work out the change in the Council's council tax excluding the change in levies/precepts.

12. CONCLUSIONS

- 12.1 It is a statutory requirement that the council sets a balanced budget in 2013/14. Also, as indicated in paragraph 9.2, the Government has announced that £0.835m council tax freeze grant (equivalent to 1% council tax increase) will be available if the council decides to freeze or reduce its council tax in 2013/14.
- 12.2 The Government measure this by requiring local authorities to complete a Council Tax Requirement Form (CTR) which has to be returned by a deadline set by the Government. There was a delay in the DCLG issuing the CTR forms for 2013-14 and they were not received until 22 February 2013. The form has to be returned as soon as is practicable and within seven days of the authority setting its Council Tax Requirement (13 March 2013).
- 12.3 The measure used to assess whether a local authority is eligible to receive council tax freeze grant is the year on year change in the average level of council tax. The average level of council tax for Merton includes the

additional council tax payment made in respect of those properties in the Wimbledon and Putney Commons Conservators area. In 2012/13 the average council tax for Merton was £1,106.56.

- 12.4 The Medium Term Financial Strategy assumes that all of the corporate provisions, proposals for growth and proposals for savings, in 2013/14 discussed in this report are agreed and if this is the case, the following financial position is achieved:-

Table 33: Average Band D Council Tax

Average Council Tax Calculation at Band D	2012/13 £m	2013/14 £m
Budget Requirement	154.634	164.261
RSG + Business Rates	*(62.021)	(79.241)
New Homes Bonus	(1.136)	(2.724)
PFI Grant	(4.797)	(4.797)
Council Tax Freeze Grant	-	(0.835)
Collection Fund Surplus	(3.891)	(2.545)
Council Tax Requirement	82.789	74.119
Council Tax Base	74,816.2	66,981.2
Average Council Tax	1,106.56	1,106.56

* includes Council Tax Freeze Grant 2011/12 £2.06m

- 12.5 The calculation of Band D council tax for properties outside the Wimbledon and Putney Commons Conservators area is as follows:

Table 34: Council Tax calculation

Council Tax Calculation Band D	2012/13 £m	2013/14 £m
Budget requirement	154.634	164.261
WPCC	(0.267)	(0.269)
RSG + Business Rates	(62.021)	(79.241)
New Homes Bonus	(1.136)	(2.724)
PFI Grant	(4.797)	(4,797)
Council Tax Freeze Grant	-	(0.835)
Collection Fund Surplus	(3.891)	(2.545)
Balance to be met from Council Tax	87.319	73.850
Implied Council Tax (Band D)	1,102.99	1,102.55

- 12.2 The implications for the level of Council Tax on a Band D property, including the GLA precept are set out as follows:-

Table 35: Band D Council Tax

Council Tax at Band D	2012/13 £	2013/14 £	% change from 2012/13
Merton (exc. WPCC)	1,102.99	1,102.55	(0.04)%
GLA Precept (Provisional)	306.72	303.00	(1.21)%
Implied Council Tax at Band D	1,409.71	1,405.55	(0.30)%

12.3 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 2012-16 and beyond has been highlighted as a key strategic risk on the corporate risk register.

13.2 Currently £10.089 million of savings are being progressed for 2013-14, coupled with further savings identified for 2013-17. 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 January, the budget gap in the MTFS has changed to the following:-

Table 36: Cumulative MTFS Gap 2013-2017

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
MTFS gap (cumulative)	0	2.650	7.492	13.577

14.2 There is still much to be done to be able to set a balanced budget over the period of the MTFS. There is also a high level of uncertainty about funding in the future, certainly for 2015/16 and beyond, which will remain until the details of the Government's Spending Review, expected in the summer of 2013, is published.

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 2014/15, 2015/16 and 2016/17 which will need to be addressed if balanced budgets are to be set for those years. The updated MTFS is set out in Section 4 of the report.

15.2 The budget process for 2014/15 will commence in the new financial year.

15.3 Some of the options available to the Council to eliminate the budget gaps include:-

- Savings – reduction/deletion of services
- Savings – efficiencies including outcomes from Public Value Reviews
- Income – increase in fees and charges/new sources of income
- Council Tax increase
- 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. Alongside this the longer term position is also made more uncertain by the changes in the way Government Funding is calculated and the “localisation” of Council Tax Benefit with a lower level of Government funding. Although the MTFS shows significant progress to date towards a balanced budget over the medium term, the longer term position remains extremely challenging. 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 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 the Public Value Review programme to provide further transformation and 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; however, the impact of this has been delayed by no changes until April 2014. Balancing this, the expected reducing numbers contributing to the fund 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.

APPENDIX 1

DRAFT RESOLUTIONS

Revenue Report:

1. Members approve the proposed budget for 2013/14 set out in Appendix 6 of the revenue report, together with the proposed Council Tax levy in 2013/14.
2. That it be noted that at its meeting on 21 January 2013 the Council calculated its **Council Tax Base for the year as 66,981.2** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 9,645.2** in accordance with regulation 6 of the Regulations, as the amount 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	511.847
Corporate Provisions	25.466
Amounts Payable to the Levying Bodies	0.915
Contribution to Financial Reserves	0.000
Gross Expenditure	538.228

- 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	464.109

- 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 2013/14 (including special expenses re WPCC)	74.119

- 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 start-up funding assessment.

	£m
Revenue Support Grant	47.221
Baseline finding NNDR	32.020
Formula Grant	79.241

- 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)	1,106.56

- 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	268,515

- 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)	1,102.55

- 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	1,130.39

- 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 £
	735.03	857.54	980.04	1,102.55	1,347.56	1,592.57	1,837.58	2,205.10
Parts inc. WPCC	753.59	879.19	1,004.79	1,130.39	1,381.59	1,632.79	1,883.98	2,260.78

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 2012/13 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	202.00	235.67	269.33	303.00	370.33	437.67	505.00	606.00

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 £
Part of the Council's Area	937.03	1,093.21	1,249.37	1,405.55	1,717.89	2,030.24	2,342.58	2,811.10
Parts inc. WPC	955.59	1,114.86	1,274.12	1,433.39	1,751.92	2,070.46	2,388.98	2,866.78

LOCAL GOVERNMENT FINANCE SETTLEMENT 2013-15**SUMMARY**

1. Introduction
 - 1.1 The provisional Local Government Finance Settlement 2013-15 was announced on 19 December 2012 and the Final Settlement on 4 February 2013. There were only minor changes in the final figures from the provisional For Merton, the 2013/14 figures were unchanged but Revenue support Grant increased by £30,000. This Settlement incorporates a great number of changes resulting from the Local Government Finance Act 2012, principally arising from the Business Rates Retention (BRR) Scheme.
 - 1.2 This summary sets out the main details set out in the Settlement and assesses the implications for Merton's finances as set out in the Medium Term Financial Strategy (MTFS).
 - 1.3 Forecasting resources for the next four years has been challenging because of the uncertainty surrounding the final details of the BRR scheme and also because of the Government's revised economic measures which only became known when the Autumn Statement was announced on 5 December 2012.
2. Key Points
 - The national Local Government funding control total in 2013/14 is 4% less than the 2012/13 total on a like for like basis
 - National Spending Power, defined by the Government as the aggregate of council tax, start up funding, other specific grants, and NHS funding to support social care and benefit health, has reduced by 1.7%. Merton's Spending Power has reduced by 2.2%.
 - There is a cap on the reduction in Spending Power of 8.8%
 - Each authority will receive a Start Up Funding Assessment which comprises formula funding (effectively what formula grant would have been if the previous system had remained) plus a number of grants which have been rolled-in.
 - The Start Up Funding Assessment total comprises Revenue Support Grant plus BRR scheme funding.
 - Formula funding will be subject to damping, and authorities are categorised into bands, ranging from Band 1 (most dependent) to Band 4 (least dependent). Merton is in Band 4 with a damping rate of 8.7%.

- The total of Specific and general grants have reduced considerably since 2012/13 because most of the main grants have been rolled into the BRR system.
- The Estimated Business Rates Aggregate (EBRA) is the total of business rates to be distributed. It totals £21.797bn in 2013/14. EBRA is distributed as individual local authority business rates baselines and used to determine local and central shares and RSG amounts.
- Business Rate Baselines for each authority are calculated by multiplying the EBRA by the proportionate share for the authority. These give a business rate yield, 50% of which is the central share (to Central Government) and 20% to the GLA for London boroughs.
- Each local authority will receive a Start Up Funding Assessment which comprises Revenue Support Grant plus Baseline Funding.
- Where an authority's business rates baseline is higher than its funding baseline it will pay a tariff to central government; and where an authority's business rates baseline is lower than its funding baseline it will receive a top-up from central government. Top ups and tariffs will balance at the national level and will increase with RPI inflation each year. London overall has 24 top up authorities and 9 tariff authorities (including the GLA which is a tariff). Merton is a top up authority.
- Tariff authorities have to pay a levy on any growth in business rates. Top-up authorities will retain all of their growth.
- The government confirmed the safety net threshold as 7.5% in its November policy statement. This means an authority is guaranteed 92.5% of its funding baseline each year. 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.

SPENDING POWER

2013/14 Final	England %	Inner London %	Outer London %	Merton %
Final exc. Public Health	-1.7%	-1.0%	-1.0%	-2.2%
Final inc. Public Health	-1.3%	-0.7%	-0.7%	-1.9%
2014/15 Provisional	England %	Inner London %	Outer London %	Merton %
Final exc. Public Health	-3.9%	-5.9%	-5.2%	-3.0%
Final inc. Public Health	-3.4%	-5.2%	-3.6%	-3.4%

3. Implications for Merton

A summary of the implications for Merton compared to the amounts included in the MTFS is set out in Annex 1.

A summary of specific and special grant allocations notified so far is set out in Annex 2.

4. Public Health Grants

4.1 On 10 January 2013, the Department of Health announced that from April 2013, public health budgets will be protected for the first time, with local authorities taking the lead for improving the health of their local communities. This will help drive local efforts to improve health and wellbeing by tackling the wider determinants of poor health. The funding allocations support the Government's vision of helping people live longer, healthier and more fulfilling lives and tackling inequalities in health.

4.2 Upper tier and unitary local authorities will, from April 2013, have a duty to take appropriate steps to improve the health of their population, funded through a ring-fenced grant. Local authorities will take the lead for improving the health of their local population and reducing health inequalities. The public health allocations formula, aims to allocate the new ring-fenced public health grant across upper tier and unitary local authority areas based on relative need for the next two financial years. Building on advice from an independent expert group – the Advisory Committee on Resource Allocation (ACRA) – funding is specifically targeted, for the first time, at those areas with the worst health outcomes.

4.3 The ring fenced grants for 2013-14 and 2014-15 provide local authorities with £2.66 billion and £2.79 billion to spend on public health services for their local populations. Average growth of 5.5% has been provided in 2013-14 and 5.0% in 2014-15, and a significant number will see growth of 10% in each year, representing a major investment in health and the prevention of illness. Every local authority will receive a real terms increase in funding.

4.4 Providing a two-year budget will also give local authorities a clearer long-term understanding of their future funding as they prepare to take on their new responsibilities.

- 4.5 The grant conditions and reporting arrangements that will apply to the grant from April 2013 have also been published.
- 4.6 Pace of change (PoC) policy determines final allocations. Local authorities do not receive their target allocations immediately, instead they move towards this allocation over time. The difference between the baseline expenditure of public health services and the target allocations is known as the distance from target (DFT). The DFT will differ between local authorities, in both size and direction.
- 4.7 If the target allocation is greater than the baseline estimates then the local authority is said to be under target. If the baseline estimate is greater than the target allocation then the local authority is said to be over target.
- 4.8 PoC policy sets the differential growth in allocations which local authorities receive. The local authorities furthest under target receive the highest growth to move them closer to target allocations.

Details of Merton's Grants 2013-14 and 2014-15

Local Authority	2013/14 opening baseline £000s	2013/14 opening baseline per head £s	2013/14 opening distance from target (DFT) %	2014/15 Closing DFT %	Cumulative Growth 2013/14 and 2014/15 %
Merton	8,740	42	8.10%	5.30%	5.70%
Local Authority	2013/14 target per head £s	2013/14 increase %	2013/14 grant £000s	2013/14 grant per head £	
Merton	41	2.80%	8,985	43	
Local Authority	2014/15 target per head £	2014/15 increase %	2014/15 grant £000s	2014/15 grant per head £	
Merton	41	2.80%	9,236	43	

Annex 1

2013/14 Headline Amounts	RSG	Baseline Funding	Total	MTFS December 2012 Cabinet	Difference
	£m	£m	£m	£m	£m
Total	47.221	31.415	78.636		
<u>Of which:</u>					
Council Tax Freeze	1.237	0.823	2.060	2.061	-0.001
Council Tax Support Grant	5.844	3.888	9.732	10.158	-0.426
Early Intervention Grant	3.716	2.472	6.188	7.223	-1.035
GLA General Funding	0.000	0.000	0.000		0.000
Homelessness Prevention	0.240	0.160	0.400	0.500	-0.100
Lead Local Flood Authority Funding	0.077	0.051	0.128	0.189	-0.061
Learning Disability & Health Reform	4.200	2.794	6.994	6.815	0.179
Rolled-in Grants	15.314	10.188	25.502	26.946	-1.444
RSG	31.907		31.907		
Baseline Funding		21.227	21.227		
	31.907	21.227	53.134	52.970	0.164
Total	47.221	31.415	78.636	79.916	-1.280
New Homes Bonus			2.724	1.136	1.588
Total including NHB			81.360	81.052	0.308
				MTFS December 2012 Cabinet	
2014/15 Headline Amounts	RSG	Baseline Funding	Total	£m	Difference
	£m	£m	£m	£m	£m
Total	39.271	32.379	71.680		
<u>Of which:</u>					
Council Tax Freeze	1.212	0.848	2.060	2.061	-0.001
Council Tax Support Grant		0.000	0.000	10.158	-10.158
Early Intervention Grant	3.246	2.548	5.794	7.223	-1.429
GLA General Funding	0.000	0.000	0.000		0.000
Homelessness Prevention	0.235	0.165	0.400	0.500	-0.100
Lead Local Flood Authority Funding	0.075	0.052	0.127	0.189	-0.062
Learning Disability & Health Reform	4.289	2.880	7.169	6.815	0.354
Rolled-in Grants	9.057	6.493	15.550	26.946	-11.396
RSG	30.244		30.244		
Baseline Funding		25.886	25.886		
RSG + Baseline Funding	30.244	25.886	56.130	46.900	9.230
Total	39.301	32.379	71.680	73.846	-2.166
New Homes Bonus			2.724	1.136	1.588
Total including NHB			74.404	74.982	-0.578

Annex 2

SUMMARY OF SPECIFIC AND SPECIAL GRANTS			
	2013/14	2014/15	
Revenue:	£	£	
Community Right to Bid	7,855	7,855	
Community Right to Challenge	8,547	8,547	
Council Tax Freeze Grant 2013/14	834,593	834,593	
Housing Benefit Subsidy Admin. Grant - Main	1,329,953		
Housing Benefit Subsidy Admin. Grant - Additional	65,812		
Lead Local Flood	189,000	189,000	£127k rolled in , £61k paid via LSSG
Local Reform and Community Voices DH Revenue Grant	130,990	135,078	
Social Fund: Set-up funding	3,669		
Social Fund: Programme Funding (AME)	366,911	366,911	
Social Fund: Administration Funding (DLE)	77,351	71,066	
Weekly Collection Support Scheme			Total £655k: Year 1 £147k, Year 2 288k, Year 3 £220k
Council Tax Support - New Burdens Funding		105,584	
Capital:			
Adult PSS: Community Capacity	402,185	410,310	

	2013/14	
Other	£	
Supporting People	5,492,540	
Housing Strategy for Older People	34,822	
Preserved Rights	641,702	
Central Education Services within LACSEG	3,584,800	DEDUCTION
Council Tax Support	9,731,767	Rolled in
Early Intervention Grant	6,188,718	Rolled in
Learning Disability and Health Reform Grant	6,994,571	Rolled in

SUMMARY OF THE COLLECTION FUND ,COUNCIL TAX BASE AND FUNDING METHODOLOGY

1. Introduction

- 1.1 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.

Under the localised arrangements for council tax support, the Collection Fund entries for council tax will remain unchanged, and council tax discounts will 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 but the Government has reduced the provision by a national average of 10%.

The Collection Fund also accounts for National Non-Domestic Rates but there will be 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)

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

While there remains a single Collection Fund, local authorities will need to be able to separate the elements relating to council tax and non-domestic rates and calculate separate surpluses and deficits on each.

2. Council Tax Base 2013-14: Changes to methodology

- 2.1 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). This will be used to set the Council Tax at Band D for 2013/14. The Council is required to determine its Council Tax Base by 31 January 2013.
- 2.2 In 2013/14 the Council Tax Base calculation is 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 will ensure that new local council tax support schemes, to be implemented under the Local Government Finance Act 2012, can be fully reflected in the council tax base for all authorities.
- 2.3 The regulations will also enable billing authorities to take account of any homes potentially liable to the Empty Homes Premium in their council tax base when they set their budgets and council tax for the financial year 2013/14.
- 2.4 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.
- 2.5 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
- 2.6 The Council Tax Base for 2012/13 was approved as 74,816.2.
- 2.7 With a Band D council tax of £1,102.99, the council tax yield for Merton in 2012/13 is £82.522m
3. Tax Base 2013/14
- 3.1 All authorities notify the DCLG of their unadjusted Council Tax Base using a CTB Form and the deadline for return was 12 October 2012 and Merton met this deadline.

- 3.2 There was a change to this year's form so that a tax base for Formula Grant purposes (old methodology) was calculated and a tax base for Revenue Support Grant purposes (new methodology) was also calculated. The difference between the two calculations is that the new methodology excludes dwellings which are classed as long-term empty (on 1 October 2012) and hence entitled to 100% discount for Revenue Support Grant purposes. This adjustment is made so that authorities which have already taken advantage of flexibilities on exemptions are not penalised in the RSG calculation.
- 3.3 For Merton it should be noted that, in respect of localisation of council tax support, Cabinet on 12 November 2012 resolved:-
- A. To agree that the Council will absorb the funding reduction for council tax support for 2013/14 and implement the prescribed default scheme which will be broadly similar to the existing council tax benefit scheme, in order to maintain low Council Tax charges for those on lower incomes and other vulnerable residents.
- B. To agree that a review of local schemes will be undertaken for the full year of 2013/14 and that any changes arising from that review for a local scheme will be developed for consideration for the 2015/16 budget process along with the impact of the ageing population in Merton.
- 3.4 It should be noted that, in respect of technical reforms to Council Tax, Cabinet on 2 July 2012 resolved that:-
- A. agreement is given to the withdrawal of the existing discounts and exemptions for empty homes from April 2013 in order to minimise Council Tax charges for Merton residents and to encourage property owners to bring homes into use more quickly; and
- B. agreement is given to a review of the impact of these changes along with a review of the empty homes premium to establish if a premium should be charged to be undertaken for the full year of 2013/14 and then reported back to Cabinet for consideration for the 2015/16 budget process.
- 3.5 In effect, Cabinet agreed:-
- To remove the existing 10% discount for second homes (empty and furnished properties)

- To implement a local discount of 0% for uninhabitable properties (empty, unfurnished and undergoing major repair)
 - To implement a local discount of 0% for vacant dwellings (empty and unfurnished properties)
 - To review empty homes to see if a premium should be charged to aid bringing the properties back into use.
- 3.6 The introduction of local council tax support schemes will have the effect of reducing the council tax base since there will be a deduction on a band by band basis for the total amount that the authority estimates will be applied, pursuant to the authority's council tax reduction scheme. This will be expressed as an equivalent number of chargeable dwellings in the band.
- 3.7 Similarly, reductions in discounts under the technical reforms to council tax will have the effect of increasing the council tax base.
- 3.8 The Council Tax base calculation includes an adjustment for the collection rate. This should reflect previous and current collection experience and be realistic and achievable to avoid large surpluses and deficits accumulating on the Collection Fund.
- 3.9 A collection rate at the same level as 2012/13 (i.e. 96.5%) has been used in setting the council tax base for 2013/14.

4. **Calculation of Council tax Base 2013/14**

- 4.1 Based on the old methodology, and using an estimated collection rate of 96.5%, the council tax base under the old methodology for formula grant purposes would be:-

Bands	Council Tax Base 2012/13
Band A	532.5
Band B	5,142.2
Band C	16,392.8
Band D	24,156.1
Band E	14,022.4
Band F	6,575.7
Band G	5,820.6
Band H	2,889.2
Total	75,531.5

4.2 Based on the same council tax in 2012/13 of £1,102.99, the additional yield from this level of council tax base would be approximately £0.789m.

4.3 Council Tax Benefit Payments – Converted into Tax Base implications

4.3.1 The new regulations require the council to produce an estimate of the council tax reduction scheme in relation to each band, expressed as an equivalent number of chargeable dwellings in that band.

4.3.2 The estimated cost of council tax benefit support payments by band as at November 2012 is

Bands	Council Tax Benefit Payments 2012/13 £	Council Tax 2012/13 £	Merton Council Tax 2012/13 £	GLA Council Tax 2012/14 £
Band A	312,140	939.81	735.33	204.48
Band B	2,370,526	1,096.44	857.88	238.56
Band C	4,845,122	1,253.08	980.44	272.64
Band D	4,788,632	1,409.71	1,102.99	306.72
Band E	1,330,929	1,722.98	1,348.10	374.88
Band F	311,868	2,036.25	1,593.21	443.04
Band G	105,714	2,349.52	1,838.32	511.20
Band H	6,187	2,819.42	2,205.98	613.44
Total	14,071,118			

4.3.3 This information is used to calculate the estimated number of properties to deduct from the council tax base to reflect the effect of absorbing council tax benefit expenditure.

Bands	Council Tax Benefit Payments 2012/13 £	Council Tax 2012/13 £	Equivalent Number of Properties	Band Ratio	CT Base Adjustment Band D equivalent
Band A	312,140	939.81	332.1	6/9	221.4
Band B	2,370,526	1,096.44	2,162.0	7/9	1,681.6
Band C	4,845,122	1,253.08	3,866.6	8/9	3,437.0
Band D	4,788,632	1,409.71	3,396.9	9/9	3,396.9
Band E	1,330,929	1,722.98	772.5	11/9	944.2
Band F	311,868	2,036.25	153.2	13/9	221.3
Band G	105,714	2,349.52	45.0	15/9	75.0
Band H	6,187	2,819.42	2.2	18/9	4.4
Total	14,071,118		10,730.5		9,981.8

4.3.4 Therefore, a reduction of 9,981.8 results in a loss of £14.071m in council tax raised. This is shared in the following proportions:-

	Band D	CT Base Adjustment	Loss of Council Tax
Merton	£1,102.99	9,981.8	£11.010m
GLA	£306.72	9,981.8	£3.061m
Total	£1,409.71		£14.071m

4.3.5 The DCLG have previously advised that Merton will receive grant of £10.158m in respect of the change to how Council Tax Benefit Support is provided. This reflects a reduction of 10% in Government funding towards Council Tax Benefits.

4.4 Technical Reforms – Converted into Council Tax Base Implications

4.4.1 These have the effect of increasing the council tax base. Using a similar methodology to the Council Tax Benefit Support adjustment, it is necessary to estimate the level of discounts/exemptions withdrawn as part of the technical reforms agreed by Cabinet on 2 July 2012.

4.4.2 Using 2011/12 outturn, the estimated reduction in discounts/exemptions is

	£000
Second homes	120
Class A	439
Class C	1,022
Long Term Empty	0
Total	1,581

4.4.3 Using the Band D Council Tax of £1,409.71, this converts to an estimated increase in council tax base of 1,121.5

5. Summary of Council Tax Base 2013/14

5.1 Under paragraph 3 of the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914), the council tax base is calculated by applying the formula

$T = A \times B$ where

T = the Council Tax Base

A = the total of the relevant amounts for each of the council tax valuation Bands

B = the authority's estimate of the collection rate for the year.

- 5.2 Due to the complexities arising from the changes to the methodology introduced by localisation of council tax support and the technical reforms, there are three components to the calculation of the total relevant amounts for each council tax band. Bringing together the Council Tax Base using the original methodology and the adjustments required for Council Tax Benefit Support, and revisions to discounts and exemptions results in the following calculation of A, the total of the relevant amounts for each of the council tax valuation Bands

	Council Tax Base 2013/14
Council Tax Base (CTB Form – Original methodology)	78,270.9
Less: Reduction in CT Base for CT Reduction Scheme	(9,981.8)
Add: Increase for Technical Reform Adjustments	1,121.5
Total of relevant amounts (A)	69,410.6

- 5.3 The estimated collection rate for the year is 96.5%. This is B in the formula in paragraph 5.1 for calculating the council tax base.

	Council Tax Base 2013/14
Total of relevant amounts (A)	69,410.6
Authority's estimate of collection rate (B)	96.5%
Council Tax Base 2013/14	66,981.2

- 5.4 Based on the same Band D Council Tax as for 2012/13 of £1,102.99, the yield from the Council Tax Base for 2013/14 would be £73.880m, a decrease of £8.642m on the 2012/13 yield.

The change in yield can be accounted for as follows:-

Council Tax Yield 2012/13	£m	£m -82.522
Reduced Yield from Council Tax Support Scheme	10.625	
Extra Yield from Council Tax Base changes	-0.789	
Extra Yield from Technical Reforms	-1.194	
		8.642
Council Tax Yield 2013/14		-73.880

6. Non-Domestic Ratepayers (Uniform Business Rate - NNDR)

Current Methodology up to and including 2012/13

- 6.1 Under the existing methodology for 2012/13, Merton, as a Charging Authority, is required to collect and pay into its Collection Fund the non-domestic rates raised from the uniform business rate. These non-domestic rates are then paid from the Collection Fund into a national central pool, which is administered by the Government. From the national pool an amount is paid into Merton's General Fund on the basis of a standard amount per head of population.
- 6.2 Merton Council has no responsibility for setting the Business Rate poundage or the valuations attributed to business properties. Its role is merely to collect and account for business rates.

New Methodology from 2013/14 - How the New Funding Regime Operates

- 6.3 Under the new Business Rates Retention Scheme, local authorities still have no responsibility for setting the Business Rate poundage.
- 6.4 In previous years, aside from specific and special grants, the main sources of Central Government funding have been via formula grant which comprised Revenue Support Grant and NNDR from the national pool. NNDR from businesses in an authority's area were collected by that authority and paid into a national pool administered by central government. The total amount of funding received was based on an assessment of needs using formulae and data generally based around demographics. The amounts were allocated within the control totals set by central government.

- 6.5 From 2013/14, the introduction of the Business Rates Retention Scheme mean that the methodology used has changed. The funding still consists of RSG and NNDR but the methodology has changed significantly. The Government have calculated formula funding using 2012/13 formulae with updated datasets but incorporating some technical adjustments. In addition a number of previously un-ring fenced specific grants have been rolled into the start-up funding assessment. For Merton, DCLG have calculated Merton's formula funding amount for 2013/14 to be £53.134m.
- 6.6 The rolled in grants and the amounts for Merton are summarised in the following table:-

	Rolled in 2013/14 £000
Council Tax Freeze Grant 2011/12	2,060
Council Tax Support Grant	9,732
Early Intervention Grant	6,188
Homelessness Prevention	400
Lead Local Flood Authority Funding	128
Learning Disability and Health Reform	6,994
Total	25,502

- 6.7 Merton's Start-up Funding Assessment 2013/14 is therefore:-

	2013/14 £000
Formula Funding	53,134
Rolled in Grants	25,502
Start-Up Funding Assessment	78,636

- 6.8 Each local authority's individual authority start-up funding assessment has been split into two parts:

- Funding provided through Revenue Support Grant
- Funding provided through the business rates retention scheme (baseline funding level)

- 6.9 These two amounts are determined by applying the Local Share: Revenue Support Grant ratio to each local authority's individual start-up funding assessment. The ratio of funding provided through the local share and through Revenue Support Grant has been calculated by DCLG as 40:60.

6.10 So, for Merton, the analysis is:-

	RSG 60% £m	Baseline Funding 40% £m	Total 100% £m
Formula Funding	31.907	21.227	53.134
Rolled in Grants	15.314	10.188	25.502
Start-Up Funding Assessment	47.221	31.415	78.636

So Merton's individual baseline funding level is £31.415m.

6.11 Estimates of Business Rates Aggregate (EBRA) and Top-Up

The amount of business rates that the Government expects billing authorities in England to collect is known as the Estimated Business Rates Aggregate (EBRA) and for 2013/14 has been set at £21.8bn.

6.12 The Government announced that local government would be able to keep 50 per cent of locally collected business rates, and 50 per cent of any growth going forward, with the other 50 per cent being paid to central government. These shares are called the local share and the central share. The local share constitutes the funding within the business rates retention scheme.

6.13 To calculate the amount of funding within the local share (the local share amount), the EBRA (£21.8bn) is multiplied by the local share percentage (50%). The remaining 50% is the central share. The central share is collected by billing authorities and paid over to central government. This will be ultimately be returned in its entirety to fund local government in 2013-14 and 2014-15 through Revenue Support Grant, albeit that there will be adjustments to top-slice some amounts, for example, to fund New Development Deals, Capitalisation, Safety net and New Homes Bonus.

6.14 Billing authority business rates baselines have been calculated by distributing the local share of the EBRA between all billing authorities on the basis of proportionate shares. Proportionate shares are based on a billing authority's historic business rate collection as a percentage of the total historic business rate yield. These have been calculated using the average of business rates collected for 2010-11 and 2011-12, with a number of adjustments.

6.15 Where necessary, billing authority business rate baselines have been split between the billing authority and its major precepting authorities. These splits, known as major precepting authority shares, determine the individual authority business rate baselines. For London boroughs such as

Merton, the GLA is a major precepting authority and the share between the GLA and London boroughs is 40:60, meaning that the total share is Central 50%, London borough 30%, and GLA 20%.

6.16 The calculation of Merton's individual local authority business rates baseline is set out in the table below:-

Column ref.		£
A	Estimated Business Rates Aggregate	21,797,108,888
B = Ax50%	Local Share	10,898,554,444
C	Merton's Proportionate share	0.0036499876
D = BxC	Merton's Business Rates Baseline	39,779,588
E = Dx60%	Merton's Individual Authority Business Rates Baseline	23,867,753

7. Tariffs or top-up?

7.1 Whether a local authority is a tariff or a top-up authority is determined by comparing the individual local authority's baseline funding level against the individual authority business rate baseline. A local authority must pay a tariff if its individual authority business rate baseline is greater than its baseline funding level. Conversely, a local authority will receive a top-up if its baseline funding level is greater than its individual authority business rate baseline.

Merton	2013/14
Individual local authority's baseline funding level	31.415
Individual authority business rate baseline	23.868
TOP UP	7.547

	2013/14 £000
Business Rates – General	13.680
Business Rates: Rolled-in grants	10.188
Top-Up	7.547
Merton's Baseline funding level	31.415

8. **NNDR1**

- 8.1 Billing authorities need to estimate their non-domestic rating income for 2013-14 in line with the requirements of the draft business rate retention regulations. National Non Domestic Ratings forms (NNDR1s) were issued to local authorities to help do this and data had to be returned to DCLG and preceptors by 31 January 2013.
- 8.2 As part of this process, local authorities must calculate how much of their business rates income they are to retain and how much they are to pay in central share to central government. They must also calculate how much of their business rates income will be paid to their major precepting authorities.
- 8.3 Essentially, the NNDR1 forecast updates the estimate announced in the provisional Local Government Finance Settlement. For Merton, the comparison is

	£m
Merton's Individual Authority Business Rates Baseline	23.867
NNDR1	24.472
Additional Yield	0.605

- 8.4 The figure from the NNDR1 is the amount used in Merton's budget and council tax calculations for 2013/14.

9. 2014/15

- 9.4.1 For 2014/15, the methodology is similar. The local government control totals reduce. The EBRA has been increased by 3.1% to reflect the estimated increase in RPI. The rolled-in grants remain the same, except for Council Tax Support Grant.

APPENDIX 4

SUMMARY OF CORPORATE PROVISIONS IN THE MEDIUM TERM FINANCIAL STRATEGY 2013-2017

CORPORATE PROVISIONS:	2013/14	2014/15	2015/16	2016/17
<u>Treasury Related Income & Expenditure:</u>	£000	£000	£000	£000
External borrowing costs including MRP	14,261	14,683	15,683	17,134
Investment Income	- 383	- 331	- 353	- 300
Sub-total: Treasury related income & expenditure	13,878	14,352	15,330	16,834
<u>Other Corporate Expenditure & Income:</u>				
Superannuation Fund Revaluation	5,250	6,450	6,650	6,650
Recharge to Education of Past Service Deficiency/Redundancy	- 463	- 463	- 463	- 463
Superannuation Fund-Additional contribution renew pension regulations	-	200	400	400
Auto-enrolment	300	300	300	300
Corporate expenditure (utilities inflation)	1,000	500	500	500
Bad Debt provision	500	500	500	500
Contingency	1,500	1,500	1,500	1,500
Depreciation and Impairment	- 13,692	- 13,692	- 13,692	- 13,692
WPCC	269	269	269	269
Adjustment re Income re P3/P4	-	400	400	400
CHAS Council Tax loss	1,226	1,226	1,226	1,226
CHAS Dividend	-	-	- 920	- 920
Further provision for revaluation/RCCO	1,618	648	751	370
Provision for inflation exceeding 1.5%	315	676	1,008	1,008
Sub-total: Other Corporate Expenditure/Income	- 2,178	- 1,486	- 1,571	- 1,952
Lee Valley	220	220	220	220
London Pensions Fund	268	268	268	268
Environment Agency	157	157	157	157
Sub-total: Levies	646	646	646	646
TOTAL CORPORATE PROVISIONS	12,346	13,511	14,404	15,527

APPENDIX 5

TRANSITION OF BUDGET FROM COUNCIL IN MARCH 2012 TO COUNCIL 6 MARCH 2013

	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
Council March 2012	1,697	9,218	14,429	17,580
Revenuisation	2,907	1,600	2,353	1,870
Capital financing costs	- 2,225	- 2,941	- 2,424	- 920
CHAS	1,226	1,226	306	306
Collection fund	-1545	-250	-250	-250
Contingency	-500	-500	-500	-500
Waste Services	-500	-500	-500	-500
CRM growth	159	202	344	344
Budgets previously funded by DSG	86	146	146	146
Adult Social Care Income	-800	-800	-800	-800
Income	331	361	492	633
Inflation	-52	-64	-117	-169
Landfill Tax	400	0	0	0
Pensions: Auto-enrolment	300	300	300	300
Change in levies	-1	-14	-26	-40
Single Status/Equal Pay	-36	-515	-515	-515
Savings 2013-2017	-215	-4,691	-8,285	-11,320
Full Year Effect of previous year's savings	631	0	0	0
Taxicards/Concessionary Fares	85	64	43	43
Corporate expenditure (utilities)	38	-318	-318	-318
Vacancy drag	1,415	1,415	1,415	1,415
Agency workers	-500	-500	-500	-500
Other adjustments and rounding	-39	20	20	20
HB Admin Grant and CTB Transition Grant	-1	197	197	197
Council Tax Freeze Grant 2013/14	-835	-835	-835	-835
New Homes Bonus including Adjustment	- 1,588	- 1,588	- 1,588	- 1,588
RSG/NNDR including Rolled-in Grants	258	1,748	4,071	8,579
Council Tax	- 696	- 331	34	399
Cabinet 18 February 2013: Latest Balance	0	2,650	7,492	13,577

STATEMENT OF COUNCIL TAX REQUIREMENTS AND BALANCES

	ORIGINAL BUDGET 2009/10	ORIGINAL BUDGET 2010/11	ORIGINAL BUDGET 2011/12	ORIGINAL BUDGET 2012/13	ORIGINAL BUDGET 2013/14	2009/10 Band D Council Tax Equivalent	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
Merton	£m	£m	£m	£m	£m	£	£	£	£	£
Net Cost of General Fund Services	147.185	148.599	148.193	145.820	153.991	2,015.49	2,001.34	1,989.55	1,949.04	2,299.02
Contingency	2.000	2.900	1.820	2.000	1.000	27.39	39.06	24.43	26.73	14.93
Levies	149.185	151.499	150.013	147.820	154.991	2,042.88	2,040.39	2,013.98	1,975.77	2,313.95
Lee Valley	0.225	0.227	0.220	0.215	0.220	3.08	3.06	2.95	2.87	3.28
London Pensions Fund	0.296	0.283	0.254	0.253	0.268	4.05	3.81	3.41	3.38	4.00
Environment Agency	0.146	0.148	0.146	0.146	0.157	2.00	1.99	1.96	1.95	2.34
Total Levies	0.667	0.658	0.620	0.614	0.645	9.13	8.86	8.32	8.21	9.63
TOTAL BUDGET (before balances, etc adjustment)	149.852	152.157	150.633	148.434	155.636	2,052.01	2,049.25	2,022.31	1,983.98	2,323.58
<u>Provisions, Contributions and Balances</u>										
Contribution to/(from) General Fund Balances	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	0.00
TOTAL BUDGET REQUIREMENT	149.852	152.157	150.633	148.434	155.636	2,052.01	2,049.25	2,022.31	1,983.98	2,323.58
Less: Central Government Support										
Government (Formula) Grant:										
Revenue Support Grant	(12.518)	(8.588)	(15.730)	(1.180)	0.000	-171.42	-115.66	-211.17	-15.77	0.00
National Non-Domestic Rates	(54.233)	(59.145)	(50.888)	(60.841)	0.000	-742.64	-796.56	-683.19	-813.21	0.00
RSG + Baseline funding (NDR)	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00	0.00	-1,183.03
Total Revenue Support Grant + Baseline NDR Funding:	(66.751)	(67.733)	(66.617)	(62.021)	(79.241)	-914.06	-912.23	-894.36	-828.98	-1,183.03
Contribution to/(from) Collection Fund	(1.400)	(2.519)	(1.859)	(3.891)	(2.545)	-19.17	-33.93	-24.96	-52.01	-38.00
Council Tax Requirement	81.701	81.905	82.157	82.522	73.850	1,118.78	1,103.10	1,102.99	1,102.99	1,102.55
Merton - General	81.701	81.905	82.157	82.522	73.850	1,118.78	1,103.10	1,102.99	1,102.99	1,102.55
Merton - COUNCIL TAX FUNDING REQUIREMENT	81.701	81.905	82.157	82.522	73.850	1,118.78	1,103.10	1,102.99	1,102.99	1,102.55
Greater London Authority Precept										
Metropolitan Police Authority	16.383	16.657	16.979	17.467	14.753	227.02	224.34	227.95	233.46	220.25
Other Non-Police Services	6.047	6.347	6.098	5.481	5.543	82.80	85.48	81.87	73.26	82.75
Greater London Authority Precept	22.430	23.004	23.077	22.948	20.295	309.82	309.82	309.82	306.72	303.00
TOTAL COUNCIL TAX REQUIREMENT	104.131	104.909	105.234	105.469	94.145	1,428.60	1,412.92	1,412.81	1,409.71	1,405.55

APPENDIX 7

DRAFT MEDIUM TERM FINANCIAL STRATEGY 2013-17				
	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Departmental Base Budget 2012/13	140,853	140,853	140,853	140,853
Departmental Budget Changes	11,062	3,691	5,317	5,771
Departmental Re-priced Budget	151,915	144,544	146,170	146,624
Treasury items	13,878	14,352	15,330	16,834
Other Corporate items	- 2,178	- 1,487	- 1,572	- 1,953
Levies	646	646	646	646
CORPORATE PROVISIONS	12,346	13,511	14,404	15,527
BUDGET REQUIREMENT	164,261	158,055	160,574	162,151
FUNDING:				
RSG - Total	- 47,221	- 39,301	- 36,978	- 32,470
Business Rates Funding	- 32,020	- 32,379	- 32,379	- 32,379
Sub-Total: RSG + NNDR	- 79,241	- 71,680	- 69,357	- 64,849
PFI Grant	- 4,797	- 4,797	- 4,797	- 4,797
New Homes Bonus	- 2,724	- 2,724	- 2,724	- 2,724
Collection Fund	- 2,545	- 1,250	- 1,250	- 1,250
Council Tax Income	- 73,850	- 73,850	- 73,850	- 73,850
Council Tax - WPCC	- 269	- 269	- 269	- 269
Council Tax Freeze Grant 2011/12	-	-	-	-
Council Tax Freeze Grant 2013/14	- 835	- 835	- 835	- 835
TOTAL FUNDING	- 164,261	- 155,405	- 153,082	- 148,574
BUDGET GAP	0	2,650	7,492	13,577

Reserves 2012/13	Balance at	Movement in	Anticipated	Forecast	Anticipated	Forecast	Anticipated	Forecast	Anticipated	Forecast	Anticipated	Forecast		
	31/3/12												Year	to Year End
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Reserve (including HRA)	13,975	-	-	13,975	-	13,975	-	13,975	-	13,975	-	13,975	-	13,975
Earmarked Reserves	33,865	(1,563)	(4,518)	27,784	(2,631)	25,153	(1,720)	23,433	(813)	22,620	-	22,620	-	22,750
Total Available General Fund revenue	47,840	(1,563)	(4,518)	41,759	(2,631)	39,128	(1,720)	37,408	(813)	36,595	130	36,595	130	36,725
Add reserves for future use towards Budget	6,319	-	4,974	11,293	(5,100)	6,193	(1,000)	5,193	-	5,193	-	5,193	-	5,193
Add DSG reserve for Schools	1,710	(140)	(170)	1,400	-	1,400	0	1,400	0	1,400	0	1,400	0	1,400
Add Schools own reserves	12,005	-	-	12,005	-	12,005	0	12,005	0	12,005	0	12,005	0	12,005
Revenue Reserves	67,875	(1,703)	286	66,458	(7,731)	58,727	(2,720)	56,006	(813)	55,193	130	55,193	130	55,323
Capital Receipts	15,199	-	6,222	21,421	-	21,421	-	21,421	-	21,421	-	21,421	-	21,421
Capital Grants	3,635	-	(1,339)	2,296	-	2,296	-	2,296	-	2,296	-	2,296	-	2,296
Capital	18,834	-	4,883	23,717	-	23,717	-	23,717	-	23,717	-	23,717	-	23,717
Reserves as per Council's accounts	86,709	(1,703)	5,169	90,175	(7,731)	82,444	(2,720)	79,723	(813)	78,910	130	78,910	130	79,040
Earmarked Reserves breakdown	£'000													
Outstanding Council Programme Board Reserve	7,703	(329)	(140)	7,234	(812)	6,422	(679)	5,743	(320)	5,423	180	5,423	180	5,423
Schools PFI Fund	5,161	-	485	5,646	282	5,928	262	6,190	203	6,393	0	6,393	0	6,573
Insurance Reserve	2,322	-	-	2,322	-	2,322	-	2,322	-	2,322	-	2,322	-	2,322
Closing the budget gap	2,052	(250)	(2,052)	-	(500)	0	(500)	0	(500)	0	0	0	0	0
Repairs & Renewal Fund	2,000	(200)	(200)	1,550	(200)	1,050	(461)	550	(500)	50	0	50	(50)	0
Performance Reward Grant	1,656	(412)	(206)	1,038	(576)	462	0	0	0	0	0	0	0	0
Pension Fund additional contribution	1,250	-	(172)	1,078	-	1,078	-	1,078	-	1,078	-	1,078	-	1,078
Community Care Reserve	996	-	-	996	-	996	-	996	-	996	-	996	-	996
Energy renewable reserve	841	-	-	841	-	841	-	841	-	841	-	841	-	841
Local Land Charges Reserve	850	-	-	850	(50)	800	-42	800	-	800	-	800	-	800
LABGI Reserve	560	-	(278)	282	(240)	42	0	362	-	362	0	362	0	362
Schools Reserve	515	(56)	(95)	362	-	362	0	362	-	362	0	362	0	362
Apprenticeships	1,500	(56)	(308)	1,192	(101)	1,091	-197	894	(196)	698	0	698	0	698
Corporate Services reserve	431	(249)	(300)	182	(20)	182	-19	182	-	182	0	182	0	182
Merton Business Investment Fund	339	-	(300)	39	(20)	19	0	225	0	225	0	225	0	225
Waste & Recycling Reserve	225	-	-	225	-	225	-	225	-	225	0	225	0	225
ICES Reserve	200	-	-	200	-	200	0	200	-	200	0	200	0	200
E&R Partnerships	195	-	(135)	60	(60)	0	0	0	0	0	0	0	0	0
Wimbledon Tennis Courts Renewal Fund	125	-	(117)	8	-	8	0	8	0	8	0	8	0	8
Other	143	-	-	143	-	143	-	143	-	143	-	143	-	143
Grants and contributions	4,801	(265)	(1,000)	3,536	(554)	2,982	-83	2,899	(813)	2,899	130	2,899	130	2,899
Sub Total	33,865	(1,563)	(4,518)	27,784	(2,631)	25,153	(1,720)	23,433	(813)	22,620	130	22,620	130	22,750
For use in future years for budget	-	-	7,820	7,820	(2,000)	5,820	(1,000)	4,820	28	4,820	28	4,820	28	4,820
VAT Reserve	28	-	-	28	-	28	-	28	-	28	-	28	-	28
Revenue Reserves for Capital / Revenuesation	6,291	-	(2,846)	3,445	(3,100)	345	(1,000)	345	-	345	-	345	-	345
Total for future use in budget	6,319	-	4,974	11,293	(5,100)	6,193	(1,000)	5,193	-	5,193	-	5,193	-	5,193
DSG Reserve	1,710	(140)	(170)	1,400	-	1,400	0	1,400	0	1,400	0	1,400	0	1,400
Net Total	41,894	(1,703)	286	40,477	(7,731)	32,746	(2,720)	30,026	(813)	29,213	130	29,213	130	29,343

SERVICE DEPARTMENTS: SUMMARY OF SAVINGS 2013-17				
	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Corporate Services	0	1,533	827	658
Children Schools and Families	0	175	631	250
Environment and Regeneration	215	1,578	722	519
Community And Housing	0	1,190	1,414	1,608
	215	4,476	3,594	3,035
Cumulative	215	4,691	8,285	11,320

Total Savings

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
SI1				
SI2				
SS1				
SS2				
SNS1				
SNS2				
SP1				
SG1				
SG2				
SPROP				
	215	4,476	3,594	3,035

SUMMARY OF TOTAL RISKS

2013/14 & 2014/15 RISKS

DELIVERABILITY RISK	High	1.07%	16.48%	6.40%
	Medium	17.99%	10.06%	12.47%
	Low	25.84%	4.67%	5.03%
		Low	Medium	High

REPUTATIONAL RISK

2015 /16 RISKS

DELIVERABILITY RISK	High	1.84%	26.74%	25.60%
	Medium	7.07%	10.24%	1.36%
	Low	14.02%	2.81%	10.32%
		Low	Medium	High

REPUTATIONAL RISK

2016 /17 RISKS

DELIVERABILITY RISK	High	0.00%	18.12%	29.00%
	Medium	7.74%	14.53%	21.19%
	Low	1.65%	2.24%	5.54%
		Low	Medium	High

REPUTATIONAL RISK

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS1	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalties Implications</p>	230	50	50		Medium	Medium
	CS3	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalties Implications</p>	0	5	5		Low	Low
	CS4	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalties Implications</p>	1,266	10	0		Low	Low

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact						
CS5	Service	Description	<u>IT Service Delivery</u>				1,400	29	60	50	Medium	Low					
			Service Implication	Review and challenge of the procurement of Support & Maintenance & Licence Contracts													
			Staffing Implications	None													
			Business Plan implications	None													
			Impact on other departments Equalities Implications	Working with departments to ensure only have what is necessary None													
CS6	Service	Description	<u>L & I</u>				2,761	34			Low	Low					
			Service Implication	Consolidation of ITSD Revenue Budgets													
			Staffing Implications	None													
			Business Plan implications	None													
			Impact on other departments Equalities Implications	None													
CS7	Service	Description	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council				266	10	10	20	Low	Low					
													Service Implication	None			
													Staffing Implications	None			
													Business Plan implications	None			
													Impact on other departments Equalities Implications	None			

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
CS8		<u>Service</u>	870		10	20	Medium	Low
		<u>L & T</u>						
		Description						
		Service Implication						
		Staffing Implications						
		Business Plan implications						
		Impact on other departments						
		Equalities Implications						
CS9		<u>Service</u>	506	16			Low	Low
		<u>L & T - Fallout of pay protection</u>						
		Description						
		Service Implication						
		Staffing Implications						
		Business Plan implications						
		Impact on other departments						
		Equalities Implications						
CS10		<u>Service</u>	574			20	Medium	High
		<u>Service Implication</u>						
		Description						
		Service Implication						
		Staffing Implications						
		Business Plan implications						
		Impact on other departments						
		Equalities Implications						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving			Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS11	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>I & T</u> Deletion of One Van Reduction in the number of vehicles available for use by the I&T division may have some impact on the time taken to respond to requests for repairs and maintenance of buildings and IT equipment None None Will have some impact for departments in terms of the time taken to respond to requests for repairs and maintenance of buildings and IT equipment None	15	5			Low	Low	
	CS12	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>I & T</u> Information Governance Vacant Post The provision of performance and operational documentation will be affected and incidents involving data security will take longer to investigate and resolve. This will require a restructure within IT Service Delivery in order to reassign the duties of the post to other members of staff None Delays in the investigation and resolution of issues relating to data security and governance None	574			37	Low	High	
	CS13	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>I & T</u> Cancellation of all Escrow Agreements (Carefirst, Hometrack Data, Ash, Open Revenues, Proactis, Fibonacc)	576	4			Low	Low	

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS14	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	I & T Cancellation of tMobile contract None Staff that have been issued with a mobile telephone for business use will be required to sign up to an agreement to pay a nominal monthly charge to cover the cost of recovering personal telephone calls and also mitigate any personal tax liability. None None None	263	35				Low	Low	
	CS15	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	I & T Asset & Change Analyst Vacant Part Post (0.8) This will require a restructure within IT Service Delivery team. Likely to be some adverse impact for departments in terms of service delivery as the loss of the post will mean that we are then unable to cover absence due to holidays and sickness. None	574		24			Low	Low	
	CS16	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	I & T Surrender of remainder of ITSD Overtime budget Where currently general housekeeping, maintenance and upgrading works on the IT equipment and infrastructure are currently undertaken outside of normal working hours, servers and associated systems will be taken down during normal working hours in order to complete the necessary works. None None None	35	35				Low	High	

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS17	<p>Service</p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>						
		<p>I & T-Transactional Services</p> <p>Delete 1 Transactional Services Assistant Post (Compulsory Redundancy)</p> <p>Subject to the introduction of new new software to improve the process of scanning, we will be able to achieve efficiency savings by reducing the number of paper invoices being manually handled and processed.</p> <p>Delete 1 Transactional Services Assistant Post through compulsory redundancy</p> <p>No impact in respect to the time taken to process payments in Carefirst, but will have an impact on the time taken to process payments in Proactis.</p> <p>None</p> <p>TBA</p>	487		30		Low	Low
	CS18	<p>Service</p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>						
		<p>I & T-Transactional Services</p> <p>Delete Assistant Vendor Maintenance - Part Post 0.7 FTE (Compulsory Redundancy)</p> <p>The reduction of resources will leave one member of staff to undertake all of the duties associated with vendor maintenance on the financial systems and there will be no cover available during periods of holiday and sickness. Deletion of the post will also require agreement from Audit regarding issues around the separation of duties.</p> <p>Delete 1 Part time Vendor Maintenance Officers post through compulsory redundancy</p> <p>None</p> <p>The Transactional Services team will no longer be able to set up suppliers on the same day that they are requested and this will have a consequential impact on departments being able to raise orders and the time taken to pay suppliers.</p> <p>TBA</p>	487		24		Medium	Low

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Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS19	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>I&T - Facilities Management</u> Energy Refit Savings (Subject to agreed investment) - Phase 1 None None None Existing departmental revenue budgets for utilities will be reduced to reflect the savings made through improving the energy efficiency of the buildings. None	990	100				Low	Low	
	CS20	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>I&T - Facilities Management</u> Energy Refit Savings (subject to agreed investment) - Phase 2 None None None Existing departmental revenue budgets for utilities will be reduced to reflect the savings made through improving the energy efficiency of the buildings. None	990		100			Low	Low	
	CS21	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>I&T - Facilities Management</u> Increase income targets for building repairs and maintenance works None None None None None	-39			45		Medium	Low	

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Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS22	Service Description Service Implication Staffing Implications Business Plan implications	I&T - Facilities Management Restructure of Archive Store Closure of the Garth Road Archiving facility and transfer existing documentation to an external service provider None	15	15				Low	Low	
		Impact on other departments	Closure of the corporate archive facility will necessitate the council entering into commercial contracts with external suppliers for the storage and retrieval of archived documents and information, but this should also encourage teams to look very closely at what they are storing and for how long in order to further reduce costs.								
		Equalities Implications	None								
	CS23	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	I&T - Facilities Management Outsourcing - Building Services & Security Service None Staff currently providing the service are likely to be TUPE transferred to an external service provider None None None	202	35	50			Medium	Medium	

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Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS24	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>I&T - Facilities Management</u> Project Manager - Accommodation (Vacant Post) Post was created to manage the moves associated with the Civic centre refurbishment project, which will be completed by April 2014. Any further moves will be managed by remaining resources with the FM section. None None None	575	46				Low	Low	
	CS25	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>I&T - Facilities Management</u> Delete 1 post from the Building Repair and Maintenance team (Compulsory Redundancy) Small repairs and routine maintenance works that are currently being completed by "in house" resources will be undertaken by external service providers. Delete 1 Post through compulsory redundancy None An increased cost for departments requesting works that are currently being undertaken directly by the in house resources free of charge None	575		30			Low	Low	

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Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
CS26		<u>Service</u>	<u>I&T - Facilities Management</u>								
		Description	Savings realised from the renegotiation of Corporate Cleaning Contract	379	39				Low	Low	
CS27		Service Implication	None								
		Staffing Implications	None								
CS27		Business Plan implications	None								
		Impact on other departments	None								
CS27		Equalities	None								
		Implications	None								
CS27		<u>Service</u>	<u>I&T - Facilities Management</u>								
		Description	Consolidation of Utilities budgets	350		50			Medium	Low	
CS27		Service Implication	None								
		Staffing Implications	None								
CS27		Business Plan implications	None								
		Impact on other departments	None								
CS27		Equalities	None								
		Implications	None								

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Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
CS28		<u>Service</u>	<u>I&T - Facilities Management</u>								
		Description	M&E Term Contract (Amalgamation) of Intruder Alarms				108	10	20	20	Medium
CS28		Service Implication	None								
		Staffing Implications	None								
CS28		Business Plan implications	None								
		Impact on other departments	None								
CS28		Equalities	None								
		Implications	None								
CS29		<u>Service</u>	<u>I&T - Facilities Management</u>								
		Description	Energy Procurement				1503	200			
CS29		Service Implication	None								
		Staffing Implications	None								
CS29		Business Plan implications	None								
		Impact on other departments	None								
CS29		Equalities	None								
		Implications	None								
CS30		<u>Service</u>	<u>Corporate Governance - Investigations Services</u>								
		Description	Rationalise benefits and corporate investigation team - possible shared resources				290		30		Medium
CS30		Service Implication	Risk of increase in undetected fraud								
		Staffing Implications	Possible reduction in half or full time post								
CS30		Business Plan implications	None								
		Impact on other departments	Reduction in resource to carry out investigations								
CS30		Equalities	None								
		Implications	None								

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS31	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	136		35		Medium	Medium
		Corporate Governance - Health and Safety Rationalise Health and Safety and Business Continuity planning - if possible explore shared service Potential increase in resilience Possible reduction in staff resource None Need for departmental managers to self serve more None						
	CS32	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	392	40			Medium	Medium
		Corporate Governance - Information Governance Integrate the FOI and Complaints functions Greater shift to openness and self service Possible reduction in 1 FTE None Greater emphasis on self serve None						
	CS33	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	345		30 10		Medium	Medium
		Corporate Governance - Internal Audit Rationalise teams - possible shared service Possible sharing of resources Increased resilience and specialism Possible reduction in staff resource, increase in flexible working None Clearer focus on identification of risk None						

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS34	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Corporate Governance Services and suppliers savings within Corporate Governance None None None None None	1559		86		Low	Low
	CS35	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Close Cash Office No public facing payment facility within the Council Currently covered by FTC that will not be extended upon decision. Customer Services Arrangements will need to be put in place for internal cash collections and payment of E>Returns Alternative facilities already exist for all payments to be made elsewhere.	30	30			Low	Medium
	CS36	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Customer Services Re tendering of Cash Collection Contract None None Departments have been consulted and advised of the proposals None	193	20	10	10	Low	Low
	CS37	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Customer Services Increase Registrars Income None None None None	-398	20			Low	Low

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Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS38	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Customer Services</p> <p>Review of Welfare Benefits and New Welfare Support program</p> <p>The role of the welfare benefits team will evolve with the localisation of welfare support funding (replacement of crisis loans and community care grants) - this review will streamline administration processes and the impact of Universal Credit on the team</p> <p>1 FTE reduction (although it will be found through vacant post)</p>	1232	30				Medium	Medium	
	CS39	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Customer Services</p> <p>Impact of Customer Service Review</p> <p>Channel shift strategy and implementing year one of customer service review</p> <p>1 FTE reduction each year should be achieved through vacant posts/natural wastage</p> <p>None</p> <p>None</p> <p>Any proposals will be subject to impact assessments to ensure services are maintained and accessible to all in the desired format.</p>	929	30	30	30		Low	Medium	
	CS40	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Customer Services</p> <p>Rationalisation of Divisional Budgets</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	43	20				Low	Low	

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
O&S	CS41	<p>Service Description</p> <p>Service Implication Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities</p> <p>Implications</p>	416	185			Low	Low
		<p>Resources - Change in Audit Arrangements</p> <p>Our new auditor Ernst & Young have provided us with their fee scale and there is a change over that previously paid to the Audit Commission</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>						
O&S	CS42	<p>Service Description</p> <p>Service Implication Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities</p> <p>Implications</p>	2,519	45	5		Low	Low
		<p>Resources - Fall Out of Pay Protection Arrangement</p> <p>The Support Services Review / Re-Structure undertaken as part of the 2011/12 Budget Process resulted in three year pay protection. The pay protection will cease during 2014/15.</p> <p>It is envisaged that there will be a reduction in morale for those staff who lose pay protection.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>						
O&S	CS43	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities</p> <p>Implications</p>	566	50			Low	Low
		<p>Resources - Delete Business Planning Post</p> <p>It is envisaged that a new Performance Management System will reduce the level of manual intervention and administration.</p> <p>None</p> <p>The level of staffing on the team will reduce from 3 to 2.</p> <p>None</p> <p>None</p> <p>None</p>						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
O&S	CS44	<p>Service Description</p> <p>Resources -Review of Insurance Provision A procurement exercise will be carried out to rationalise premiums paid in the current market against competitors also taking into account the level of self insurance the Council has.</p> <p>Service Implication It is not envisaged that this will denigrate the level of cover provided to services.</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	654	200	0		Low	Low
O&S	CS45	<p>Service Description</p> <p>Resources -Improved Cash Management Despite depressed rates of return it is possible in the current market to generate additional returns in the areas of treasury and banking.</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	-401	148	52		Low	Low
O&S	CS46	<p>Service Description</p> <p>Resources -Deletion of 3 Posts within the Division Further efficiency reviews and enhancements in systems will result in staff savings in the Resources Division.</p> <p>Service Implication None</p> <p>Staffing Implications Reduction of 3 Posts</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	2,985			103	Medium	Medium

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS47	Service Description Service Implication	Resources - Voluntary Sector Saving from the London Councils Grants Scheme Revisions are planned to the LCGS resulting in a lower contribution, (NB: Dependent on outcome of LC consultations on future options for LCGS and adoption of opt-out option for the scheme)	306	87	26	28	Low	Medium		
		Staffing Implications	None								
		Business Plan implications Impact on other departments	Would mean a net reduction in funding to the voluntary sector from LBM May have an impact on services that previously accessed LCGS funding which in turn may impact on council services linked to those vcs services.								
		Equalities Implications	May have a negative impact on service users - some of whom may be from 'protected groups' - that accessed services that previously received LCGS funding.								
O&S	CS48	Service Description Service Implication Staffing Implications Business Plan implications Impact on other Equalities	Further rationalisation of HR Services Reduction of HR business partner (HRBP's) posts High risk to HR BP support to departments at time of change Approximately two/three HR BP's at risk Risk of supporting departments through change from PVR and other programmes Will diminish HR support to customers on change management, Will impact women in the division as a high number of HR	543			130	High	High		
O&S	CS49	Service Description Service Implication Staffing Implications Business Plan Impact on other Equalities	Introduction of new application tracking system Reduction of employees as processes are automated Different delivery model Reduction of staff The new system will support HR self-service roll out and new New way of delivering service - will enhance service Will impact women in the division as a high number of HR employees are female	124		5	10	Low	Medium		
O&S	CS50	Service Description Service Implication Staffing Implications Business Plan Impact on other Equalities	Occupational Health & Employee Assistance programme Review OH and EAP contracts Reduction is staffing will have impact on numbers The re-procurement exercise will facilitate savings Prioritisation of cases. More nurse-led service None identified	107			40	Medium	Medium		

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
O&S	CS51	Service Description HR Transactions - including COT HR Support - centralisation More self service Service Implications Reduction in staff numbers Business Plan Impact on other Equalities HR transactions review part of long-term HR business plans resistance to change Will impact women in the division as a high number of HR employees are female Implications	265			90	Medium	High
Total Corporate Services Savings				1,533	827	658		
Total Corporate Services Target Savings				1,675	1,150	691		
(Shortfall)/Surplus				(142)	(323)	(33)		
Cummulative (Shortfall)/Surplus						(498)		

Savings Type

Savings Type	Panel
SS1 Staffing: reduction in costs due to efficiency	C&YP Children & Young People
SS2 Staffing: reduction in costs due to deletion/reduction in service	O&S Overview & Security
SNS1 Non - Staffing: reduction in costs due to efficiency	HC&OP Healthier Communities & Older People
SNS2 Non - Staffing: reduction in costs due to deletion/reduction in service	SC Sustainable Communities
SP1 Procurement / Third Party arrangements - efficiency	
SP2 Procurement / Third Party arrangements - deletion/reduction in service	
SG1 Grants: Existing service funded by new grant	
SG2 Grants: Improved Efficiency of existing service currently funded by unringfenced grant	
SPROP Reduction in Property related costs	
SI1 Income - increase in current level of charges	
SI2 Income - increase arising from expansion of existing service/new service	

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving				Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	
C&YP	CSF01	Service Description	CSF School Standards and Quality				524	0	40	40	M	M
		Service Implication	Increased income generation and management efficiencies									
		Staffing Implications	Review costs, charging internally and increased external work.									
		Business Plan Implications	Consideration may be given to a restructure when external funding is clearer - a national funding formula could affect DSG allocations and current agreed de-delegation									
		Impact on other departments	Development of Merton Education Partnership									
		Equalities Implications	None									
			A focus would remain on the outcomes of key equalities groups									
C&YP	CSF02	Service Description	CSF SEND Integrated Service				1,936	0	10	10	M	H
		Service Implication	Restructuring within the service to deliver efficiencies as well as reduced commissioning.									
		Staffing Implications	Part of the implementation of the current Children and Families Bill									
		Business Plan Implications	None									
		Impact on other departments	Implementation of the Children and Families legislation									
		Equalities Implications	Service is for a key equalities group and every effort will be made to protect front line services									

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF03	<p>Service</p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities Implications</p>	972	50			L	H
		<p>CSF Commissioning Function and Commissioning Budgets</p> <p>Reduction in commissioning budgets for Early Intervention and Prevention service</p> <p>The saving will be achieved through review of the departmental commissioning intentions and reduction in external commissioning in 2014-15</p> <p>None</p> <p>EIP services are an essential element in CSF's ability to contain levels of LAC and children on CP Plans. This saving will reduce the overall EIP service capacity.</p> <p>None</p> <p>Some EIP services have historically been targeted at specific equalities groups - eg BME groups; children with disabilities. Saving will reduce departmental capacity to target services although no specific equalities group will be disadvantaged through application of this saving.</p>						
C&YP	CSF04	<p>Service</p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities Implications</p>	4,702	0	100	50	H	M
		<p>CSF Commissioning Function and Commissioning Budgets</p> <p>Reduce expenditure on LAC and SEN placements</p> <p>These placements are commissioned by the department's Access to Resources Service. Savings will be achieved through more effective recruitment and deployment of in house foster carers and through robust procurement of placements provided in the private, voluntary and independent sectors.</p> <p>None</p> <p>One of the department's business plan targets is to increase the proportion of looked after children provided with in house placements</p> <p>None</p> <p>LAC are a key equalities group for whom high quality placements are essential in supporting positive outcomes. Placements will continue to be provided which meet the assessed needs of individual LAC.</p>						

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	
C&YP	CSF05	Service Description Service Implication	CSF SEN Transport Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	2,882	0	161	50	H	M
		Staffing Implications	Subject to cabinet approval, a new policy will be introduced providing a more flexible 'menu' of travel options for pupils with SEN. Implementation of this policy and appointment of a travel co-ordinator within the SEND service will enable savings to be made. 1FTE post will be established on a 'spend to save' basis.						
		Business Plan implications Impact on other departments	No specific implications.						
		Equalities Implications	If the new policy is successfully implemented it is anticipated that in the medium term fewer pupils with SEN will travel on council minibuses with potential staffing implication in Environment and Regeneration department. Although no existing users will be affected, implementation of the new policy will result in a small number of pupils in the future being ineligible for transport provision.						
C&YP	CSF06	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	CSF Children Social Care & Youth Inclusion Duke of Edinburgh provide via schools funding Seek new partnership with schools to fund DoFE work with pupils. None if income target met. Expansion of sixth forms and RPA could mean more potential GOLD groups and more income required from schools. None None	53	25			L	L

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	
C&YP	CSF07	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities Implications</p>	<p>CSF Children Social Care & Youth Inclusion</p> <p>Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE)</p> <p>The Service teams will need to work together in an increasingly integrated way to ensure the complexity of families needs are met at an earlier stage</p> <p>7 Full Time Equivalent posts over the 3 years</p>	1,844	100	220	100	H	H
		<p>Business Plan Implications</p> <p>The need to continue to ensure low level first time entrants to YJ is essential as is the need to assist more young people to effectively stay engaged in ETE</p> <p>Possible implication on Housing service in C&H and Safer Merton service in E&R.</p> <p>Service is for a key equalities group and where possible services will be commissioned as a more affordable rate to protect from line service provision</p>							
C&YP	CSF08	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities Implications</p>	<p>CSF Children Social Care & Youth Inclusion</p> <p>Post 16 LAC/CL accommodation cost. Smarter commissioning/contracts</p> <p>An improvement in the quality and cost of services to 16+ through better procurement</p> <p>None</p> <p>no specific Implications</p> <p>close working relationship with Housing will need to be assured</p> <p>Services are to a key group and a group that may experience further pressure within the welfare benefits changes</p>	774	100			M	M
Total Children, Schools and Families Savings				175	631	250			

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
Savings Type								
SS1		Staffing: reduction in costs due to efficiency						
SS2		Staffing: reduction in costs due to deletion/reduction in service						
SNS1		Non - Staffing: reduction in costs due to efficiency						
SNS2		Non - Staffing: reduction in costs due to deletion/reduction in service						
SP1		Procurement / Third Party arrangements - efficiency						
SP2		Procurement / Third Party arrangements - deletion/reduction in service						
SG1		Grants: Existing service funded by new grant						
SG2		Grants: Improved Efficiency of existing service currently funded by unringfenced grant						
SPROP								
		Reduction in Property related costs						
SI1		Income - increase in current level of charges						
SI2		Income - increase arising from expansion of existing service/new service						

Panel
C&YP Children & Young People
O&S Overview and Scrutiny
HC&OP Healthier Communities & Older People
SC Sustainable Communities

DEPARTMENT: ENVIRONMENT AND REGENERATION TAKEN SAVINGS - BUDGET PROCESS 2013-17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	EN01	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities</p>	<p>Legal Budget/PP&D</p> <p>Reduction in spend on legal cases by way of a combination of proactive resolution of issues at first point and/or drawing on section budgets to cover shortfall.</p> <p>More proactive resolution of cases and less legal/court cases.</p>	88	14						SNS1
	EN02	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities</p> <p>Implications</p>	<p>Parking Services</p> <p>Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.</p> <p>There needs to be a limited but as yet unquantified amount of capital investment, it is expected that the investment will be paid back within 1 to 2 years. This will be found from within the overall capital programme.</p> <p>This new system has the ability to free up enforcement 2 enforcement staff from the CCTV PCN verifying process, releasing those officers to carry out more enforcement which will improve the free flow of traffic and reducing congestion. However, through the development of the TOM it is more likely that the introduction of this new system will result in opportunities for further efficiencies relating to overall numbers of FTEs, thereby leading to additional savings not currently built in to this proposal.</p>	(4,883)				226	Medium	Medium	S12
		<p>Business Plan Implications</p> <p>Impact on other departments Equalities</p> <p>Implications</p>	<p>Further consideration will need be given if shared service/sub regional model becomes a reality for parking services.</p> <p>Need for IT to be involved and part of any back office changes such as higher spec PC's and the capacity of servers to be increased.</p> <p>none</p>								

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN03	<p>Services/Section Description Service Implication</p> <p>Staffing Implications Business Plan Implications</p> <p>Impact on other departments</p> <p>Equalities</p>	(4,883)		50			Medium	Low	SI2
		<p>Parking Services</p> <p>Enforcement of new CPZs (Controlled Parking Zones)</p> <p>There is a need and expectation by the residents who have purchased a resident permit that the Council will enforce the parking regulations. The figure of £50k is net of any extra capacity that would be needed to properly implement the proposal (Approx: 1FTE = 25K). Needs to be considered in the context of shared service/sub regional models.</p> <p>With any increase in the issue of PCNs the number of complaints, phone calls and correspondence has the potential to increase. However, through the development of the TOM, specifically channel migration, it is intended that the increase in on line transactions will reduce any anticipated impact on IT, Post Room/Scanning, Comms team and the complaints team.</p>								
	EN04	<p>Services/Section Description Service Implication</p> <p>Staffing Implications Business Plan Implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	(2,126)		75			Medium	Low	SI2
		<p>Parking Services</p> <p>Implementation of Pay & Display machines in new CPZs (Controlled Parking Zones)</p> <p>The P&D machines were installed as part of the implementation of a CPZ providing P&D parking to the motorist.</p> <p>There is capacity within the technical team to cope with the increase in P&D machines</p> <p>This income was not part of any previous budgetary forecasts. There will be running costs such as P&D ticket replacement which is minimal. Maintenance costs would also be minimal in the first and 2nd second years.</p> <p>There will be an increase in cash collections. This contract is managed by corporate services and we need to ensure that officers are fully aware of implications.</p> <p>none</p>								

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN05	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities Implications</p>	<p>Parking Services</p> <p>Introduction of mobile phone payments for parking</p> <p>There maybe technical issues in parts of the borough concerning the ability for the CEO's to receive the data showing that a motorist has paid. The cost of investment is likely to be minimal.</p> <p>Proposal incorporates efficiency savings, the equivalent of 1 FTE post but this dependent upon the take up of mobile phone payments and any future growth in CPZ's.</p> <p>The saving of 37k for Parking services can be achieved by a reduction in the number of P&D machines thus reducing expenditure in parts, P&D tickets and technical resources. In addition, the proposal would also generate a saving of 13k for Corporate Services who manage this contract.</p> <p>As above</p> <p>In order to ensure equal access for all customers, we would not propose the removal of all P&D machines as not all of the public will want to take up mobile phone payments.</p>	(2,126)			37	Low	Low	SNS2
	EN06	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments Equalities Implications</p>	<p>Building and Development Control</p> <p>Staff reductions in DC. Post enquiry/research officer (admin team) . IT systems manager.</p> <p>There is a risk that IT/DC performance would be reduced and that systems failures may not be corrected in time resulting in delayed decision notices. However, we would look to develop TOM to address these concerns.</p> <p>service reduced by 2 FTE</p> <p>IT failures could be more common as a result of the removal of the designated IT support role, but this should be picked up by the Business Improvement division and through the development of the TOM, to address these concerns.</p> <p>Reduced ability to help coordinate wider council strategies</p> <p>none</p>	805	73			Low	High	SS2

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN08	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	805	10				Low	Low	SP1
		<p>Building and Development Control</p> <p>Income generation, 10% increase in pre application planning fees. Additional charge for tree pre-application advice (relatively small income). could result in less enquiries if cost perceived too high.</p> <p>none</p> <p>none</p> <p>none</p> <p>none</p> <p>none</p>								
	EN09	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	805		40			Low	Medium	SS2
		<p>Building and Development Control</p> <p>Mobile/home working. Less commuting time for DC and enforcement officers who can go directly to site without visiting the office. Will require fully functional IT systems to be in place.</p> <p>During the implementation period there may be a limited impact on service delivery.</p> <p>reduce 1FTE</p> <p>It is intended that the introduction of this initiative will allow staff to carry out site inspections in a more timely and efficient manner. Initially a reduced ability to help coordinate wider council strategies</p> <p>none</p>								

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	EN11	<p>Services/Section Description Service Implication</p> <p>Building and Development Control Staff reduction. DC deputy area team leader</p> <p>Although the loss of this post could be partially managed by reallocation of responsibilities as part of development of TOM, the loss of this post may have a significant impact on ability to meet statutory performance targets in respect of major regeneration proposals in the borough. Reduced support for team leaders and reduced mentoring support for team members.</p> <p>reduce 1FTE</p> <p>Impact on ability to meet major applications targets</p> <p>reduced ability to help coordinate wider council regen strategies</p> <p>none</p>	805				52	Low	High	SS2
	EN12	<p>Services/Section Description Service Implication</p> <p>Parking Services Deletion of back office manager post The development of the TOM, particularly relating to processes, will ensure effective management of the impact of this proposal. Reduction of 1 FTE</p> <p>managing of service enquiries during the initial transition period will need careful management</p> <p>None</p> <p>None</p>	1,038		48			Low	Medium	SS2
		<p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>								

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN13	<p>Services/Section Description</p> <p>Waste Management Commercial Waste Collection</p> <p>Alter management structure as a result of recommendations in consultants report. Once service recommendations have been implemented there is an opportunity to rationalise the back office support.</p> <p>Service Implication</p> <p>None</p> <p>Staffing Implications</p> <p>1.5 back office staff</p> <p>Business Plan Implications</p> <p>None</p> <p>Impact on other departments Equalities</p> <p>None</p> <p>Implications</p>	405		56			Low	Low	SS2
	EN14	<p>Services/Section Description</p> <p>Waste and Street Cleansing Operations</p> <p>Mobile technology including GPS and in cab monitors. Once implemented will reduce back office staff numbers as a result of reducing reliance on paper schedules and in addition the GPS vehicle tracking system will lead to improved service and fuel efficiency.</p> <p>Service Implication</p> <p>None</p> <p>Staffing Implications</p> <p>3fte</p> <p>Business Plan Implications</p> <p>None</p> <p>Impact on other departments Equalities</p> <p>Call centre</p> <p>None</p> <p>Implications</p>	405			100		Low	Low	SS2

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	EN15	<p>Services/Section Description</p> <p>Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.</p> <p>Waste and Street Cleansing Operations</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan Implications None</p> <p>Impact on other departments None</p> <p>Equalities None</p> <p>Implications</p>	1,138	25	100			High	Medium	SNS1	
	EN16	<p>Services/Section Description</p> <p>Double shift garden waste collection vehicles 2 x vehicles (this is not possible at the moment because of disposal/licensing issues)</p> <p>Waste Operations</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan Implications None</p> <p>Impact on other departments Transport</p> <p>Equalities None</p> <p>Implications</p>	541			66			High	Low	SS2

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	EN17	<p>Services/Section Description Service Implication</p> <p>Staffing Implications Business Plan Implications</p> <p>Impact on other departments Equalities</p>	405		65			Low	Low	SS1
		<p>Waste Management Reduction in Staffing 1.5 FTE Rationalisation of performance data analysis and contract management arrangements as a result in new South London Waste Partnership arrangements. 1.5 FTE Reduction</p> <p>Improvements in data collection and improved management will continue to support the business plan, although will involve greater reliance on the partnership. Finance support to the business plan will not be unduly affected. No Identified Impacts</p> <p>N/A</p>								
	EN18	<p>Services/Section Description Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	4,558		135			Medium	Low	SP1
		<p>Waste Management Reduction in cost of waste processing per tonne (phase B) contract gate fee Improved financial position as charged gate fee is significantly reduced, upon Phase B completion</p> <p>None None None N/A</p>								

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	EN19	<p>Services/Section Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities</p>	4,558		295			Medium	Low	SP1
		<p>Waste Management</p> <p>Reduction/Re-negotiation of Phase A Contracts. Improved financial costings through reduced/negotiated pricing of Contract 1 and Contract 3</p>								
	EN20	<p>Services/Section Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities</p>	4,558		60			Low	Low	SP1
		<p>Waste Management</p> <p>Reduction of tonnage to landfill based on current projections for disposal</p> <p>Tonnage projection trends denote a gradual reduction of Landfill, whilst an improved position of recycle. National trends support our calculations.</p>								
		<p>Implications</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>								
		<p>Implications</p> <p>None</p> <p>None</p> <p>None</p>								

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN21	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments Equalities</p>			50			Medium	Low	SP1
	EN22	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	420	50				Medium	High	SNS2
		<p>Waste Management</p> <p>Dividend from positive movements in Foreign Exchange rates associated with capital costs of Phase B facility resulting in improved unitary charge</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>								
		<p>Traffic and Highways</p> <p>Reduction in Street Lighting Budget This will result in a reduced ability to undertake routine maintenance and non-urgent street light repairs. Increased level of customer complaints.</p> <p>A reduction in the maintenance budget will result in increased whole life costs and an increased in future maintenance costs. This may have an impact on meeting the Council's objective of reducing the fear of crime. The proposed savings may have an impact on vulnerable road users.</p>								

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN23	<p>Services/Section Description</p> <p>Traffic and Highways Reduction in Grounds Maintenance Budget</p> <p>Service Implication</p> <p>This will lead to a reduction of cyclical maintenance of shrubs, rose beds, grass cutting and tree maintenance. It will also have an impact on working practices as the contractor will have to procure new equipment to deal with longer grass and shrubs. As mitigation we will continue to work with the community to build capacity for local maintenance through schemes such as Adopt a Green Space. Potential increased level of customer complaints.</p> <p>Staffing Implications Business Plan implications</p> <p>Adverse impact on residents satisfaction with the Council.</p> <p>Impact on other Equalities</p> <p>May lead to an increase in insurance claims. No significant implications.</p>	444		50			Medium	High	SNS2
	EN24	<p>Service / Section Description</p> <p>Traffic and Highways Reduction in Walksheets Budget</p> <p>Service Implication</p> <p>The Council will only respond to urgent repairs. Some non urgent repairs such as replacement of damaged posts and bollards will no longer take place and other repairs will take longer. The Council has a statutory duty under the Highways Act to ensure the public highway is maintained to a safe condition and a reduction in the budget identified for essential repairs could lead to an increase in trips and falls and vehicle damage with a knock on effect of an increase in claims against the Council.</p> <p>Staffing Implications Business Plan implications</p> <p>Potential increase in levels of complaints Increased whole life costings</p> <p>Impact on other departments Equalities Implications</p> <p>Increase in insurance claims Adversely impact vulnerable road users.</p>	666		50			Medium	High	SNS2

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	EN25	<p>Services/Section Description Service Implication</p>	37		18			Medium	High	SNS2
		<p>Traffic and Highways Reduction in the Surface Water Budget The Council will have reduced resources to repair damaged gullies. We will prioritise works based on assessments of risk of likelihood of flooding to meet our statutory duties under the Highway Act 1980 and the Flood and Water Management Act 2009</p>								
		<p>Staffing Implications Business Plan Implications Impact on other departments Equalities</p>								
		<p>Potential increase in levels of complaints Increase in whole life costings deteriorating asset. Increase in insurance claims againsts the Council.</p>								
	EN26	<p>Services/Section Description Service Implication</p>	22		11			Medium	High	SNS2
		<p>Traffic and Highways Reduction in the Ditching Budget The Council will have reduced resources to clear drainage watercourses but will prioritise any works based on an assessment of the likelihood of flooding. There is the potential to increase the risk of flooding and could lead to additional insurance claims against the Council. These watercourses do not form part of the Public Highway but the Council has a new duty under the Flood and Water Management Act 2009 to manage all flooding incidents in the borough.</p>								
		<p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>								
		<p>Potential increase in levels of complaints Adverse impact on residents satisfaction with the Council. Potential increase in workload for Risk and Insurance as a result of higher number of claims. In addition this cut could impact a number of other Council departments ranging from Housing to Leisure as a number of these watercourses are within land for which they are responsible. No significant implications</p>								

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	EN27	<p>Service/Section Description Service Implication</p> <p>Traffic and Highways Reduction in the Lining Budget A reduction in the budget for carriageway markings will lead to a decline in their condition. Carriageway markings must comply with the Traffic Signs & General Directions Manual 2002. Only essential and mandatory road markings will be maintained as a result of this budget cut. Fading or non-existent road markings may lead to an increase in the number of collisions in the borough. Potential increase in levels of complaints</p> <p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	31		10		10	Medium	High	SNS2
	EN28	<p>Service/Section Description Service Implication</p> <p>Traffic and Highways Contract Negotiation Reduction in specifications / service levels / maintenance regime. Potential increase in levels of complaints</p> <p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	666		50			High	Low	SNS2
	EN29	<p>Service/Section Description Service Implication</p> <p>Traffic and Highways Re-Structure of Traffic and Highway Services Re-Structure of Traffic and Highway Services to re-align management structure and adapt to anticipated change in working practices. Reduction of up to 7 posts. Disatisfaction with the Council. Reduced ability to respond to service demands. To be advised</p> <p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>				252	Low	High	SS2	

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	EN30	<p>Services/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Traffic and Highways Reduction in supplies and Services Costs Reduction in controllable expenditure such as the purchase of equipment, transport costs, subscriptions, stationery etc. No significant implications</p>	188	6			20	Low	Low	SNS2
	EN31	<p>Services/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Traffic and Highways Reduction in energy costs A review of the existing street lighting inventory is expected to deliver savings to energy costs No significant implications No significant implications Will also lead to a reduction in corporate carbon footprint No significant implications</p>	612				30	Medium	Low	SNS2
	EN32	<p>Services/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Traffic and Highways Renegotiation of J C Deceaux Contract Contract renegotiation to achieve increased income. No significant implications No significant implications No significant implications No significant implications No significant implications</p>	(160)				10	Medium	Low	SNS2

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	EN33	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments</p> <p>Equalities</p> <p>Implications</p>	180		33			Low	Low	SS2
		<p>Leisure & Culture Development Team</p> <p>Leisure Devt Service Support Staffing - Recharging for staff time & loss of 0.2fte staff member</p> <p>Loss of 0.2fte from Client & Partnership Officer Post, retaining 0.8fte. Loss of partnership working capacity, contract management etc.</p> <p>Loss of 0.2fte from Client & Partnership Officer Post, retaining 0.8fte. Recharge Merton & Sutton Joint Cemetery Board Salaries of staff time providing admin services.</p> <p>Client & Partnerships Officer work would need to be made more efficient to fit in shorting working time.</p> <p>None</p> <p>None</p>								
SC	EN34	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on other departments</p> <p>Equalities</p> <p>Implications</p>	386	6				Low	Low	SNS1
		<p>Leisure & Culture Development Team</p> <p>Various Budgets - Reduction in supplies & services</p> <p>Will need to make more use of email rather than letters; reduce stationary & recycle; reduce spec on services and equip where safe to do so.</p> <p>None</p> <p>We will have to continue to get best prices, best value and be more prudent</p> <p>Services purchased from other departments may well be reduced and this will affect their income and works required - eg post room, print room, etc</p> <p>None</p>								

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SC C&YP, HC&OP	EN35	Services/Section Description Service Implication Staffing Implications Business Plan Implications	(479)	11	14	14	14	Medium	Medium	SI1
		Leisure & Culture Development Team Various Budgets - Increased Income through various charging increases where the service provided will still be purchased eg Increases % commercial uplift from 30% to 50% per hr; increases in charges in halls and at watersports centre, etc This will push charges higher and may result in services not being purchased through the borough as people seek alternatives elsewhere or by different providers, which in turn could put properties and service provision at risk None								
		Impact on other departments Equalities Implications								
		Staffing Implications Business Plan Implications								
SC C&YP, HC&OP	EN36	Services/Section Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	(479)	15	10	10	10	Medium	Medium	SI2
		Leisure & Culture Development Team Various Budgets - Increased Income through sale of advice & guidance from senior professional officers and sale of specialist arts & leisure developed service packages to groups and organisations e.g private care homes, etc This will leave less capacity to deliver sports, arts and leisure development services generally as capacity will be diverted to deliver these income generating activities and officers working for others for a fee. Retains existing staff, hence retains a Leisure & Arts Development service and some capacity to deliver to harder to reach groups. The business will move towards delivering bespoke services which are commercially viable and needed by the market, but will target those areas least likely to be catered for but where payment for services is possible. Less resources to support work of other areas unless they come with Commissions, Grants or finance. This will be a challenge where people and providers are less able to pay for service provision.								
		Impact on other departments Equalities Implications								

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SC C&YP	EN37	<p>Services/Section Description Service Implication Staffing Implications Business Plan Implications</p>	(49)			5	5	Medium	Low	SI1
		<p>Leisure & Culture Development Team Merton Active Plus - Increased Income</p> <p>This will be achieved by increased charging over expenditure and maximising participation numbers. This programme is delivered through casual staffing and hired services and as such we are dependent on these being readily available.</p> <p>This service will have moved to a zero based budget on the marginal costs based on 1fte hence this person has limited capacity to deliver other work.</p> <p>Ability for CSF to purchase services should they wish to, but discounted / free activities will not be available. Available for all who can afford. Those young people with disabilities will be able to bring a carer/helper free of charge to engage in the activity with them.</p>								
SC	EN38	<p>Services/Section Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	120	5	5			Low	Medium	SNS2
		<p>Leisure & Culture Development Team</p> <p>Reduction of Core Arts Grants to Polka & Attic Theatres - Proposal to further reduce Polka theatres grant by £4k per annum and Attic by £1k per annum in each of 2015/16 & 2016/17 financial years There are already reductions year on year on both of these grants and this would continue the reductions for two further years requiring the organisations to generate this shortfall through alternative funding sources and income generation</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>								
	EN39	<p>Services/Section Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	719	44				Low	Low	SS1
		<p>Senior Management & Support</p> <p>Removal of vacant Policy & Projects Officer post.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>								

DEPARTMENT: ENVIRONMENT AND REGENERATION TAKEN SAVINGS - BUDGET PROCESS 2013-17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN40	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan Implications</p> <p>Impact on other departments Equalities Implications</p>	485	55				Low	Low	SNS1
		<p>Senior Management & Support Reduction in various supplies and services budgets within the section, including stationary and subscriptions. None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>								
	EN41	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	1,068		40			Low	Low	SS1
		<p>Future Merton Review of staffing levels within the section following transformation review, reduction in 1.5 FTEs from current team through combining posts for greater efficiency. None</p> <p>Loss of 1.5 FTE through more efficecent use of staff team</p> <p>None</p> <p>None</p> <p>None</p>								
	EN42	<p>Services/Section Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	0			40	50	Medium	Low	SI2
		<p>Future Merton Consultancy Income. This is based on an average daily rate of £300 per day (15/16 equates to 7 days per year for each chargeable member of staff and 16 days in 16/17) based on the consultancy project management working practices adopted by FutureMerton team.</p> <p>None</p> <p>None - containable within the work programme for the FutureMerton team</p> <p>None</p> <p>None</p> <p>None</p>								

DEPARTMENT: ENVIRONMENT AND REGENERATION TAKEN SAVINGS - BUDGET PROCESS 2013-17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN43	<p>Services/Section Description</p> <p>Future Merton Community grant scheme reduction - grant pot to voluntary sector via a small grants pot. It was combined with Coporate grants pot in 2012/13 for one year only. Proposed to use in 13/14 for capacity building for community centres to support fund raising and long term sustainability for one year only.</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan Implications None</p> <p>Impact on other departments None</p> <p>Equalities None</p> <p>Implications Yes</p>	62	60				Low	Low	SG2
	EN44	<p>Services/Section Description</p> <p>Parks, Greenspaces & Cemeteries Undertake Public Value Review to drive out savings in parks and green spaces.</p> <p>Service Implication Potentially a significant reduction of core in-house service establishment. Greater community and voluntary sector inputs to front line service delivery. Has potential to result in reduction of direct local authority control of policy, strategy and quality standards within affected sites however.</p> <p>Staffing Implications Depending on the outcome of the PVR, staff losses of 10-12FTE could be anticipated.</p> <p>Business Plan Implications Yes. Integral to current service plan projects</p> <p>Impact on other departments No significant impact</p> <p>Equalities Yes</p>	1,565	78	119	79		Low	High	SS2
	EN45	<p>Services/Section Description</p> <p>Parks, Greenspaces & Cemeteries Further commercialisation and development of sports and allied parks services (eg. increase in fees and charges (3.75%); cost recovery plus; service bundling; sponsorship of bedding plants, etc), aligned to the emerging strategy for sports.</p> <p>Service Implication Increased income. Potential loss of some customers due to increased fees.</p> <p>Staffing Implications No</p> <p>Business Plan Implications Yes. Integral to current service plan projects</p> <p>Impact on other departments No</p> <p>Equalities Yes</p>	1,565	96	39	13		Medium	High	SI1

DEPARTMENT: ENVIRONMENT AND REGENERATION TAKEN SAVINGS - BUDGET PROCESS 2013-17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	EM46	<p>Services/Section</p> <p>Partes, Greenspaces & Cemeteries</p> <p>Introduction of parking fees in 5 key parks (Charges would be in region of £1.00 per hour in line with current car parking fees levied across the borough's other public car parks) (Sites under consideration: Wimbledon Park, Sir Joseph Hood MPF, Abbey RG, Haydons Road RG and Joseph Hood RG)</p> <p>Service Implication</p> <p>Increased revenue from parking fees. Could however lead to a reduction in park usage and non parking income.</p> <p>Staffing Implications</p> <p>No</p> <p>Business Plan Implications</p> <p>Yes. Integral to current service plan projects</p> <p>Impact on other departments</p> <p>Yes, especially Parking Services</p> <p>Equalities Implications</p> <p>Yes</p>	1,565		44				Medium	Medium	S12
Total Environment & Regeneration Savings				215	1,578	722	519				
Total Environment & Regeneration Target Savings					2,582	1,772	1,065				
(Shortfall)/Surplus					(1,004)	(1,050)	(546)				
Cummulative (Shortfall)/Surplus							(2,600)				

<u>Savings Type</u>	<u>Panel</u>	<u>Children & Young People</u>
S11	C&YP	Children & Young People
S12	O&S	Overview & Scrutiny
SS1	HC&OP	Healthier Communities & Older People
SS2	SC	Sustainable Communities
SNS1		
SNS2		
SP1		
SP2		
SG1		
SG2		
SPROP		

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
HICKOP	CH01	<p><u>Service</u> Description Service Implication</p> <p><u>Adult Social Care</u> Below inflation uplift to third party suppliers The proposal aims to continue the below inflation uplift. This will be a total of 7 years at 0% or below inflation uplift to 16/17. There will be resistance and challenge from providers who may require that clients are removed from their care and support, or refuse to take newly referred clients. To date Merton has been acting consistently with neighbouring authorities.</p> <p>Staffing Implications None</p> <p>Business Plan implications Contributes to efficiency savings</p> <p>Impact on other departments None</p> <p>Equalities See overall EA</p> <p>Implications</p>	38,465	0	500	500	High	High
HICKOP	CH02	<p><u>Service</u> Description Service Implication</p> <p>Promoting Independence Public Value Review - Efficiencies to be found in hospital discharge process and customers to be enabled to regain and maintain independence</p> <p>Staffing Implications Efficiencies may lead to fewer staff and / or changes in working practices</p> <p>Business Plan implications In line with the aim of delivering cost effective, person centred services.</p> <p>Impact on other departments None</p> <p>Equalities See overall EA</p> <p>Implications</p>	1,657	500	200	100	High	Medium

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
HICKOP	CH03	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p>	5,357	200	200	150	High	High
		<p>Brokerage Efficiency savings, by finding the best value option and setting personal budgets on this basis</p> <p>Care and support packages will be negotiated and brokered to deliver the best value solution based on assessed need. There is likely to be complaints from some customers who would prefer a different package.</p> <p>None</p> <p>In line with the aim of delivering cost effective, person centred services.</p> <p>None</p> <p>See overall EA</p>						
HICKOP	CH04	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p>	453	148	0	100	High	Medium
		<p>Reduce Management costs and reduction in staffing costs</p> <p>Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes.</p> <p>Deletion of posts</p> <p>Contributes to efficiency savings</p> <p>None</p> <p>See overall EA</p>						

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	
HCK&OP	CH05	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities</p> <p>Implications</p>	<p>Realise benefits of new prevention programme in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to Voluntary Organisations.</p> <p>Reduced demand for statutory services or reduced level of preventive services. In the latter case people would lose some of the services which make their life fuller. .</p> <p>Potential reduction in voluntary sector organisation staffing.</p>	1,556	0	0	500	Medium	High
HCK&OP	CH06	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities</p> <p>Implications</p>	<p>Voluntary Organisations - SLA reduction</p> <p>Delivering efficiencies through reduction in voluntary organisations' overheads and back office costs, or reductions in demand for statutory services</p> <p>Potential reduction in voluntary sector organisation staffing levels.</p> <p>In line with the aim of delivering cost effective, person centred services and focus early intervention and prevention.</p> <p>None</p> <p>See overall EA</p>	1,556	150	0	0	Medium	Medium

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	
HCC&OP	CH07	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p>	<p>Direct Provision - Day services options (staff reduction)</p> <p>The main offer for people using in house day services would be a more basic one, with the emphasis on providing a safe respite option for carers and group activities for customers.</p> <p>The core staff at each day service could be reduced, with more emphasis based on volunteers providing variety and/or community activities.</p> <p>Day services would continue to play a role in shaping the social care market locally.</p> <p>None</p> <p>See overall EA</p>	454	100	0	0	Medium	High
HCC&OP	CH08	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p>	<p>Transport</p> <p>Day services staff will assume the role of collecting customers from home and taking them to the centres or community venues.</p> <p>A change of role for some staff - some staff have already begun this work at JMC</p> <p>This fits in with the need to be more self reliant on travel options.</p> <p>There will be reduced business for E&R providing fleet vehicles.</p> <p>See overall EA</p>	278	100	0	0	Medium	High

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	
HICKOP	CH09	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p>	<p>Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.</p> <p>Reducing dependency on domiciliary care services, through different forms of contract which incentivise providers to manage demand and new needs, and through other cost effective preventative solutions such as telecare and telehealth.</p> <p>None</p>	7,295	0	250	0	High	Medium
HICKOP	CH10	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p>	<p>Procurement Opportunities</p> <p>Delivering further efficiencies through contract negotiations.</p> <p>None</p> <p>In line with the aim of delivering cost effective, person centred services.</p> <p>None</p> <p>See overall EA</p>	5,357	0	250	250	High	Medium

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
HCCOP	CH11	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p>	2,666	100	0	0	Medium	High
		<p>Restructuring Supporting People, continuing the mainstreaming of the procurement process, and reducing overall expenditure within these contracts</p> <p>There may be some reductions in the level of support to some vulnerable groups, this is in addition to other savings already identified.</p> <p>None</p> <p>In line with the aim of delivering cost effective, person centred services.</p> <p>None</p> <p>See overall EA</p>						
		Sub-total Adult Social Care		1,298	1,400	1,600		

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
sc	CH12	<u>Service</u> Description Service Implication	<u>Housing Needs</u> Homelessness Prevention Grant	500	92	0	0	Medium The grant is assured until up to 2014/15 but not beyond (Allocation is reduced to £400k)	Medium external scrutiny of grant spend e.g. government specialist housing advisers or press
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	Potential increased need for social care interventions if Temporary accommodation placements increased. Potential increase in rough sleeping and single homelessness which may have crime and disorder implications.						
		Equalities Implications	This will not disproportionately affect one group over another						

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	
sc	CH13	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications		n/a	(240)	0	0	n/a	n/a
sc	CH14	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications		(564)	20	0	0	Medium	Medium

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
sc	CH15	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities</p> <p>Implications</p>	1,108	20	14	8	Medium	Medium
<p>Staffing cost reductions</p> <p>Delivery utilising the use of Information Technology and other efficiencies</p> <p>Staffing reductions resulting in post deletions</p>								
<p>The service re-configuration has been included in the business plan actions</p> <p>Reduce capacity to undertake Library new enrolments</p> <p>None</p>								
Total Community and Housing Savings			1,190	1,414	1,608	4,212		

Savings Type

- SS2 Staffing: reduction in costs due to deletion/reduction in service
- SNS1 Non - Staffing: reduction in costs due to efficiency
- SNS2 Non - Staffing: reduction in costs due to deletion/reduction in service
- SP1 Procurement / Third Party arrangements - efficiency
- SP2 Procurement / Third Party arrangements - deletion/reduction in service
- SG1 Grants: Existing service funded by new grant
- SG2 Grants: Improved Efficiency of existing service currently funded by unringfenced grant
- SPROP Reduction in Property related costs
- SI1 Income - increase in current level of charges
- SI2 Income - increase arising from expansion of existing service/new service

Panel

- C&YP Children & Young People
- O&S Overview and Scrutiny
- HC&OP Healthier Communities & Older People
- SC Sustainable Communities

Draft Revenue Estimates 2013-14

SUMMARY - SUBJECTIVE ANALYSIS

FULL TIME EQUIVALENTS	2012/13	2013/14
Number of FTE Staff	2,052.4	2,091.0
Number of FTE Sutton / PCT TUPE Staff	63.9	68.5
Total FTE Staff	2,116.4	2,159.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	88,851	915	575	90,341
Premises	8,995	101	(452)	8,645
Transport	11,249	117	(473)	10,893
Supplies and Services	157,679	728	5,702	164,109
Third Party Payments	84,474	1,076	5,642	91,192
Transfer Payments	112,648	0	(13,601)	99,048
Support Services	32,285	0	1,345	33,629
Depreciation and Impairment Losses	13,920	0	70	13,990
GROSS EXPENDITURE	510,102	2,937	(1,193)	511,847
Income				
Government Grants	(258,548)	0	12,551	(245,997)
Other Reimbursements and Contributions	(20,615)	0	(1,408)	(22,023)
Customer and Client Receipts	(53,106)	(42)	(2,518)	(55,666)
Interest	(44)	0	0	(44)
Recharges	(33,864)	0	(1,358)	(35,222)
Reserves	(3,325)	0	2,345	(980)
GROSS INCOME	(369,502)	(42)	9,611	(359,933)
NET EXPENDITURE	140,600	2,896	8,419	151,914
Corporate Provisions	14,034	0	(1,688)	12,347
NET EXPENDITURE	154,634	2,896	6,731	164,260
Funded by:				
Revenue Support Grant	(1,179)	0	(46,042)	(47,221)
Business Rates	(58,782)	0	26,762	(32,020)
New Homes Bonus	(1,136)	0	(1,588)	(2,724)
Council Tax	(82,522)	0	8,671	(73,850)
Council Tax Freeze Grant 2011/12	(2,060)	0	2,060	0
Council Tax Freeze Grant 2013/14	0	0	(835)	(835)
WPCC Levy	(267)	0	(2)	(269)
Collection Fund	(3,891)	0	1,346	(2,545)
PFI Grant	(4,797)	0	0	(4,797)
	(154,634)	0	(9,627)	(164,261)
	0	2,896	(2,896)	0

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	(202)	0.0
Further provision for revaluation/RCCO	1,618	0.0
Pension Fund and Auto-enrolment	550	0.0
Contingency and centrally held provisions	(2,046)	0.0
Cost of DR Recovery	(70)	0.0
CHAS - Council Tax loss	1,226	0.0
Appropriation to/from Reserves	(5,738)	0.0
Depreciation and impairment	871	0.0
Council Tax Freeze Grant 2012/13	2,070	0.0
Levies	34	0.0
TOTAL	(1,688)	0

SUMMARY

FULL TIME EQUIVALENTS

	2012/13	2013/14
Number of FTE Staff	2,052.4	2,091.0
Number of FTE Sutton / PCT TUPE Staff	63.9	68.5
Total FTE Staff	2,116.4	2,159.5

SERVICE AREA ANALYSIS

	2012/13 Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Corporate Services	10,534	180	(184)	10,529
Education Services]				
Children's Services] CSF	42,224	737	7,751	50,712
Environment and Regeneration	27,708	411	(2,343)	25,777
Adult Social Care]				
Cultural Services] C&H	60,133	778	2,561	63,473
Housing General Fund]				
Public Health	0	0	0	0
Add: Provision for Pay Award 2013/14	0	790		790
Add: CRM Growth	0		159	159
Add: Single Status/Equal Pay	0		474	474
TOTAL NET SERVICE EXPENDITURE	140,600	2,896	8,419	151,914
<i>Corporate Provisions/Appropriations</i>	14,034	0	(1,688)	12,347
NET EXPENDITURE	154,634	2,896	6,731	164,260
Funded by:				
Revenue Support Grant	(1,179)	0	(46,042)	(47,221)
Business Rates	(58,782)	0	26,762	(32,020)
New Homes Bonus	(1,136)	0	(1,588)	(2,724)
Council Tax	(82,522)	0	8,671	(73,850)
Council Tax Freeze Grant 2011/12	(2,060)	0	2,060	0
Council Tax Freeze Grant 2013/14	0	0	(835)	(835)
WPCC Levy	(267)	0	(2)	(269)
Collection Fund	(3,891)	0	1,346	(2,545)
PFI Grant	(4,797)	0	0	(4,797)
	(154,634)	0	(9,627)	(164,261)
	0	2,896	(2,896)	0

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	(202)	0.0
Further provision for revaluation/RCCO	1,618	0.0
Pension Fund and Auto-enrolment	550	0.0
Contingency and centrally held provisions	(2,046)	0.0
Cost of DR Recovery	(70)	0.0
CHAS - Council Tax loss	1,226	0.0
Appropriation to/from Reserves	(5,738)	0.0
Depreciation and impairment	871	0.0
Council Tax Freeze Grant 2012/13	2,070	0.0
Levies	34	0.0
TOTAL	(1,688)	0

CORPORATE ITEMS ANALYSIS

	2012/13 Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Cost of Borrowing including Minimum Revenue Provision	14,481	0	(260)	14,221
Further provision for revaluisation/RCCO	0	0	1,618	1,618
Pension Fund	4,537	0	250	4,787
Pensions: Auto-enrolment	0	0	300	300
Centrally held provision for Utilities inflation	927	0	73	1,000
Centrally held provision for Pay Award and increments	408	0	(408)	0
Provision for excess inflation	0	0	314	314
Bad Debt Provision	500	0	0	500
Contingency	2,000	0	(500)	1,500
Single Status	515	0	(515)	0
Cost of DR recovery	70	0	(70)	0
Grants and other balances	510	0	(510)	0
Agency Workers	500	0	(500)	0
CHAS - Council Tax loss	0	0	1,226	1,226
Appropriation to Closing the Gap Reserve	5,768	0	(5,768)	0
Levies:-				
Lee Valley	215		5	220
London Pensions Fund	253		16	268
Environment Agency	146		11	157
WPCC	267		2	269
GROSS EXPENDITURE	31,097	0	(4,716)	26,380
Income				
Investment Income	(401)		58	(343)
Depreciation & Impairment	(14,562)		871	(13,691)
Use of Reserves - Closing the Gap Reserve	(30)		30	0
Council Tax Freeze Grant 2012/13	(2,070)		2,070	0
GROSS INCOME	(17,063)	0	3,029	(14,034)
NET EXPENDITURE	14,034	0	(1,688)	12,346



2013/2014 ESTIMATES

CORPORATE SERVICES DEPARTMENT

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2012/13	2013/14
414.9	414.0
42.6	41.6
457.5	455.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	21,285	33	446	21,764
Premises	3,467	35	(48)	3,454
Transport	154	2	(0)	156
Supplies and Services	13,946	139	(1,243)	12,842
Third Party Payments	839	11	84	934
Transfer Payments	99,636	0	(14,071)	85,566
Support Services	9,989	0	52	10,041
Depreciation and Impairment Losses	1,525	0	163	1,688
GROSS EXPENDITURE	150,843	220	(14,618)	136,445
Income				
Government Grants	(101,394)	0	14,066	(87,328)
Other Reimbursements and Contributions	(2,902)	0	600	(2,302)
Customer and Client Receipts	(9,720)	(41)	365	(9,396)
Interest	0	0	0	0
Recharges	(25,115)	0	(1,775)	(26,890)
Reserves	(1,178)	0	1,178	0
GROSS INCOME	(140,309)	(41)	14,434	(125,916)
NET EXPENDITURE	10,534	180	(184)	10,529

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2012/13	2013/14
414.9	414.0
42.6	41.6
457.5	455.6

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2013/14 Estimate £000
	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	
Customer Services	1,022	12	206	1,240
Infrastructure & Transactions	1,327	93	(678)	741
Business Improvement	439	0	(462)	(22)
Corporate Governance	1,529	16	159	1,704
Resources	696	38	754	1,487
HR	(28)	8	115	95
Corporate Items	5,548	13	(278)	5,284
TOTAL EXPENDITURE	10,534	180	(184)	10,529
Contingency / Other	0	0	0	0
Capital Financing Adjustment	0	0	0	0
Levies	0	0	0	0
NET EXPENDITURE	10,534	180	(184)	10,529

INFRASTRUCTURE & TRANSACTIONS

The Infrastructure & Transactions Division consists of Facilities Management, IT Service Delivery, Post & Print Room and Transactional services.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
84.1	81.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	3,202	16	85	3,304
Premises	3,286	32	(32)	3,287
Transport	39	1	0	40
Supplies and Services	3,112	45	(59)	3,097
Third Party Payments	201	3	70	274
Transfer Payments	0	0	0	0
Support Services	866		64	930
Depreciation and Impairment Losses	1,522		163	1,685
GROSS EXPENDITURE	12,228	97	291	12,616
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(2,099)	(4)	35	(2,068)
Interest	0	0	0	0
Recharges	(8,523)		(1,284)	(9,807)
Reserves	(280)	0	280	0
GROSS INCOME	(10,901)	(4)	(970)	(11,875)
NET EXPENDITURE	1,327	93	(678)	741

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings		
Previous years savings	(50)	(2.0)
Previous years growth		
Technical adjustments	430	(0.5)
Depreciation adjustments	163	
Overheads adjustments	(1,220)	
TOTAL	(678)	(2.5)

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, Consultation & Community Engagement, and CHAS.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
153.0	156.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	5,372	5	189	5,566
Premises	54	1	(16)	39
Transport	74	1	0	74
Supplies and Services	3,359	21	(62)	3,318
Third Party Payments	322	3	0	325
Transfer Payments	0	0	0	0
Support Services	2,642		111	2,753
Depreciation and Impairment Losses	3	0	0	3
GROSS EXPENDITURE	11,826	30	222	12,078
Income				
Government Grants	(1,835)	0	9	(1,826)
Other Reimbursements and Contributions	(1,030)	0	100	(930)
Customer and Client Receipts	(5,926)	(19)	137	(5,807)
Interest				0
Recharges	(2,013)		(262)	(2,275)
Reserves	0		0	0
GROSS INCOME	(10,803)	(19)	(16)	(10,838)
NET EXPENDITURE	1,022	12	206	1,240

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings		
Previous years savings	(150)	
Current year growth		
Transfer between departments		
Technical adjustments	507	3.2
Depreciation adjustments		
Overhead adjustments	(151)	
TOTAL	206	3.2

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 FTE Staff

2012/13	2013/14
30.5	29.9

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	1,683	(0)	(206)	1,477
Premises	0	0	0	0
Transport	3	0	0	3
Supplies and Services	374	0	(340)	34
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	301	0	38	339
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	2,361	0	(508)	1,853
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	(1,682)	0	(193)	(1,875)
Reserves	(239)	0	239	0
GROSS INCOME	(1,921)	0	46	(1,875)
NET EXPENDITURE	439	0	(462)	(22)

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings		
Previous years savings		
Current years growth		
Transfer between departments		
Technical adjustments	(307)	(0.6)
Overheads adjustments	(155)	
TOTAL	(462)	(0.6)

CORPORATE GOVERNANCE

The Corporate Governance Division consists of Shared Legal Services, Internal Audit, Investigations, Democracy Services, Electoral Services, Information Governance and Safety Services.

FULL TIME EQUIVALENTS Number of FTE Staff

2012/13	2013/14
70.4	69.4

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	4,396	11	28	4,435
Premises	9	0	0	9
Transport	28	0	(0)	28
Supplies and Services	2,049	5	(500)	1,555
Third Party Payments	0	0	(0)	0
Transfer Payments	0	0	0	0
Support Services	591	0	114	705
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	7,073	17	(358)	6,732
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(1,872)	0	500	(1,372)
Customer and Client Receipts	(203)	(1)	7	(197)
Interest	0	0	0	0
Recharges	(3,469)	0	9	(3,460)
Reserves	0	0	0	0
GROSS INCOME	(5,544)	(1)	516	(5,029)
NET EXPENDITURE	1,529	16	159	1,704

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings		
Previous years savings	(39)	(1.0)
Previous years growth		
Transfer between departments		
Technical adjustments	75	
Depreciation adjustments		
Overhead adjustments	123	
TOTAL	159	(1.0)

RESOURCES

The Resources Division consists of Policy & Strategy, Commercial Services, Business Planning, Accountancy and Business Partners

FULL TIME EQUIVALENTS Number of FTE Staff

2012/13	2013/14
72.1	72.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	3,944	(2)	87	4,030
Premises	101	2	(1)	102
Transport	4	0	0	4
Supplies and Services	4,551	54	(406)	4,199
Third Party Payments	14	0	0	14
Transfer Payments	9	0	0	9
Support Services	743		80	823
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	9,366	54	(239)	9,181
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(890)	(16)	118	(789)
Interest	0	0	0	0
Recharges	(7,121)		216	(6,905)
Reserves	(659)	0	659	0
GROSS INCOME	(8,670)	(16)	993	(7,694)
NET EXPENDITURE	696	38	754	1,487

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings		
Previous years savings		
Technical adjustments	458	0.1
Net variation in grants		
Overheads adjustments	296	
TOTAL	754	0.1

HR

The HR division consists of: Strategic HR, Business Partnerships, Corporate Learning & Development, Diversity, Payroll, Recruitment & Resourcing, Central Operations Team. The function also interfaces with Staff Side. The HR service is shared with the LB of Sutton. The payroll system is shared with LB of Sutton and LB of Kingston

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2012/13	2013/14
4.8	4.8
42.6	41.6
47.4	46.4

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	2,030	3	262	2,296
Premises	17	0	0	17
Transport	7	0	0	7
Supplies and Services	238	4	(6)	236
Third Party Payments	108	2	0	109
Transfer Payments	0	0	0	0
Support Services	482		51	533
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	2,882	8	308	3,198
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(602)	0	68	(534)
Interest	0	0	0	0
Recharges	(2,307)		(261)	(2,568)
Reserves	0	0	0	0
GROSS INCOME	(2,909)	0	(193)	(3,102)
NET EXPENDITURE	(28)	8	115	95

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings		
Previous years savings	(285)	(1.0)
Technical adjustments	161	
Overheads adjustments	(210)	
Transfer from departments	449	
TOTAL	115	(1.0)

CORPORATE ITEMS

Corporate Management is composed of Housing Benefit subsidy payments and entitlements, Agency contract, Coroners Court and Severance payments.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
0	0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees*	657	0	0	657
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	264	10	128	403
Third Party Payments	195	3	14	212
Transfer Payments	99,627	0	(14,071)	85,556
Support Services	4,364		(406)	3,958
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	105,108	13	(14,335)	90,786
Income				
Government Grants	(99,559)	0	14,057	(85,502)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges				0
Reserves	0	0	0	0
GROSS INCOME	(99,559)	0	14,057	(85,502)
NET EXPENDITURE	5,548	13	(278)	5,284

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings		
Current year growth		
Previous years growth		
Technical adjustments	128	
Overheads adjustments	(406)	
Shared legal services devolved budgets		
TOTAL	(278)	0.0

* The employee budgets shown here relate to employee redundancy payments. There are no FTE's in Corporate Items



2013/2014 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 FTE Staff

2012/13	2013/14	DSG	LA
462.7	497.2	76.6	420.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	25,595	(17)	(542)	25,036	4,780	20,256
Premises	973	11	(180)	804	166	638
Transport	3,443	50	(52)	3,441	58	3,383
Supplies and Services	133,089	467	8,916	142,472	133,977	8,495
Third Party Payments	26,420	226	(136)	26,510	10,633	15,877
Transfer Payments	352	0	79	431	0	431
Support Services	3,940	0	717	4,657	138	4,519
Depreciation and Impairment Losses	5,082	0	(93)	4,989	207	4,782
GROSS EXPENDITURE	198,894	737	8,709	208,340	149,959	58,381
Income						
Government Grants	(146,214)	0	(244)	(146,458)	(145,205)	(1,253)
Other Reimbursements and Contributions	(6,070)	0	(929)	(6,999)	(2,562)	(4,437)
Customer and Client Receipts	(4,092)	0	(143)	(4,235)	(2,192)	(2,043)
Interest	(44)	0	0	(44)	0	(44)
Recharges	0	0	0	0	0	0
Reserves	(250)	0	358	108	0	108
GROSS INCOME	(156,670)	0	(958)	(157,628)	(149,959)	(7,669)
NET EXPENDITURE	42,224	737	7,751	50,712	0	50,712

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(822)	-3.5
Overhead adjustments	717	
Depreciation adjustments	(93)	
Technical adjustments	7,046	
Revenuisation	890	
Transfers between departments	13	
TOTAL	7,751	(3.5)

SUMMARY: CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
462.7	497.2	76.6	420.6

SERVICE AREA ANALYSIS

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Senior Management	1,172	11	(5)	1,178	0	1,178
Childrens Social Care	10,794	46	228	11,068	55	11,013
Youth and Inclusion	2,926	24	1,446	4,396	708	3,688
Commissioning, Strategy and Performance	12,004	83	1,246	13,333	4,740	8,593
Education	22,969	126	4,228	27,323	15,144	12,179
Schools	(18,296)	0	1,027	(17,269)	(21,982)	4,713
Other Childrens, Schools and Families	10,655	447	(419)	10,683	1,335	9,348
TOTAL NET EXPENDITURE	42,224	737	7,751	50,712	0	50,712

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 FTE Staff

2012/13	2013/14	DSG	LA
3.0	3.0	0.0	3.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	414	0	(15)	399	0	399
Premises	0	0	0	0	0	0
Transport	1	0	0	1	0	1
Supplies and Services	732	11	(7)	736	0	736
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	25	0	17	42	0	42
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	1,172	11	(5)	1,178	0	1,178
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	1,172	11	(5)	1,178	0	1,178

Other Variations are analysed as follows:

Major Items	£000	fte
Overhead adjustments	17	
Transfer between departments	(12)	
Shared legal services devolved budgets	(5)	
Technical adjustments	(5)	
TOTAL	(5)	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Children's Social Care

This budget contains the funding for the Community Support & Social Care, Looked After Children, Permanency & Placements and Safeguarding & Partnerships

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
133.8	162.5	1.0	161.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	7,411	2	164	7,577	50	7,527
Premises	76	1	(1)	76	0	76
Transport	153	2	(1)	154	0	154
Supplies and Services	1,145	11	(118)	1,038	5	1,033
Third Party Payments	2,454	30	(755)	1,729	0	1,729
Transfer Payments	347	0	61	408	0	408
Support Services	1,267	0	299	1,566	0	1,566
Depreciation and Impairment Losses	11	0	0	11	0	11
GROSS EXPENDITURE	12,864	46	(351)	12,559	55	12,504
Income						
Government Grants	(1,098)	0	380	(718)	0	(718)
Other Reimbursements and Contributions	(881)	0	280	(601)	0	(601)
Customer and Client Receipts	(8)	0	3	(5)	0	(5)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	(83)	0	(84)	(167)	0	(167)
GROSS INCOME	(2,070)	0	579	(1,491)	0	(1,491)
NET EXPENDITURE	10,794	46	228	11,068	55	11,013

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(41)	0.0
Overhead adjustments	299	
Depreciation adjustments	0	
Transfer between departments	25	
Technical adjustments	(55)	
TOTAL	228	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Youth and Inclusion

This budget covers the services of social inclusion, alternative education, youth service, youth justice, connexions, education welfare, behaviour support, pupil retention grant expanded pupil tuition and teenage pregnancy

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
75.9	72.4	16.1	56.3

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	2,989	1	(11)	2,979	713	2,266
Premises	191	2	(30)	163	1	162
Transport	102	1	(11)	92	21	71
Supplies and Services	665	7	(235)	437	33	404
Third Party Payments	865	13	(181)	697	0	697
Transfer Payments	4	0	0	4	0	4
Support Services	516	0	58	574	11	563
Depreciation and Impairment Losses	9	0	0	9	0	9
GROSS EXPENDITURE	5,341	24	(410)	4,955	779	4,176
Income						
Government Grants	(1,661)	0	1,316	(345)	0	(345)
Other Reimbursements and Contributions	(330)	0	182	(148)	(10)	(138)
Customer and Client Receipts	(66)	0	0	(66)	(61)	(5)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	(358)	0	358	0	0	0
GROSS INCOME	(2,415)	0	1,856	(559)	(71)	(488)
NET EXPENDITURE	2,926	24	1,446	4,396	708	3,688

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(132)	-1.5
Overhead adjustments	58	
Depreciation adjustments	0	
Technical adjustments	1,520	
TOTAL	1,446	(1.5)

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Commissioning, Strategy and Performance

This page contains the budgets for Policy, Planning & Performance, Joint Commissioning & Partnerships, Contract Procurement & School Organisation and Business Support.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
52.645714	53.8	5.9	48.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	2,288	1	(15)	2,274	243	2,031
Premises	159	2	(22)	139	82	57
Transport	33	1	4	38	7	31
Supplies and Services	6,233	60	379	6,672	2,068	4,604
Third Party Payments	6,327	19	27	6,373	4,827	1,546
Transfer Payments	0	0	0	0	0	0
Support Services	490	0	50	540	34	506
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	15,530	83	423	16,036	7,261	8,775
Income						
Government Grants	(1,436)	0	796	(640)	(640)	0
Other Reimbursements and Contributions	(157)	0	40	(117)	(28)	(89)
Customer and Client Receipts	(1,933)	0	(13)	(1,946)	(1,853)	(93)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(3,526)	0	823	(2,703)	(2,521)	(182)
NET EXPENDITURE	12,004	83	1,246	13,333	4,740	8,593

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(399)	0.0
Overhead adjustments	50	
Revenuisation	890	
Technical adjustments	705	
TOTAL	1,246	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Education

This page contains the budgets for School Standards & Quality, Extended Schools, Early Years & Children's Centres, Special Educational Needs, SMART Centre, Thee Virtual School and Schools ICT.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
171.6	203.3	53.6	149.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	8,649	2	401	9,052	3,127	5,925
Premises	417	4	(30)	391	50	341
Transport	3,150	47	(42)	3,155	30	3,125
Supplies and Services	12,073	43	571	12,687	11,042	1,645
Third Party Payments	7,491	30	868	8,389	5,806	2,583
Transfer Payments	1	0	18	19	0	19
Support Services	1,603	0	333	1,936	93	1,843
Depreciation and Impairment Losses	49	0	0	49	0	49
GROSS EXPENDITURE	33,433	126	2,119	35,678	20,148	15,530
Income						
Government Grants	(6,063)	0	3,802	(2,261)	(2,202)	(59)
Other Reimbursements and Contributions	(2,406)	0	(1,529)	(3,935)	(2,523)	(1,412)
Customer and Client Receipts	(1,995)	0	(164)	(2,159)	(279)	(1,880)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(10,464)	0	2,109	(8,355)	(5,004)	(3,351)
NET EXPENDITURE	22,969	126	4,228	27,323	15,144	12,179

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(245)	(2.0)
Overhead adjustments	333	
Depreciation adjustments	0	
Technical adjustments	4,140	
TOTAL	4,228	(2.0)

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Schools

This budget covers Schools Funding, including the two top slices to fund the Schools Sports Co-ordinator and Tree Works.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
0.0	0.0	0.0	0.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 Estimate £000	2013/14 Estimate £000
Expenditure						
Employees	767	0	(143)	624	624	0
Premises	34	0	0	34	34	0
Transport	0	0	0	0	0	0
Supplies and Services	111,799	0	7,717	119,516	119,516	0
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	5,013	0	(93)	4,920	207	4,713
GROSS EXPENDITURE	117,613	0	7,481	125,094	120,381	4,713
Income						
Government Grants	(135,826)	0	(6,537)	(142,363)	(142,363)	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	(83)	0	83	0	0	0
GROSS INCOME	(135,909)	0	(6,454)	(142,363)	(142,363)	0
NET EXPENDITURE	(18,296)	0	1,027	(17,269)	(21,982)	4,713

Other Variations are analysed as follows:

Major Items	£000	fte
Depreciation adjustments	(93)	
Technical adjustments	1,120	
TOTAL	1,027	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Other Children Schools and Families Budgets

This budget covers residual schools retained budgets, Asylum Seeker Costs, Past and Present Pension and Redundancy Costs and PFI Unitary Charges.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
25.7	2.2	0.0	2.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	3,075	(23)	(921)	2,131	22	2,109
Premises	96	2	(98)	0	0	0
Transport	4	0	(4)	0	0	0
Supplies and Services	443	335	611	1,389	1,313	76
Third Party Payments	9,283	133	(95)	9,321	0	9,321
Transfer Payments	0	0	0	0	0	0
Support Services	40	0	(40)	0	0	0
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	12,941	447	(547)	12,841	1,335	11,506
Income						
Government Grants	(130)	0	0	(130)	0	(130)
Other Reimbursements and Contributions	(2,295)	0	97	(2,198)	0	(2,198)
Customer and Client Receipts	(91)	0	31	(60)	0	(60)
Interest	(44)	0	0	(44)	0	(44)
Recharges	0	0	0	0	0	0
Reserves	274	0	0	274	0	274
GROSS INCOME	(2,286)	0	128	(2,158)	0	(2,158)
NET EXPENDITURE	10,655	447	(419)	10,683	1,335	9,348

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings	0	
Overhead adjustments	(40)	
Technical adjustments	(379)	
TOTAL	(419)	0.0



2013/2014 ESTIMATES

ENVIRONMENT AND REGENERATION DEPARTMENT

SUMMARY: ENVIRONMENT & REGENERATION

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
643	655

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2013/2014 Estimate £000
	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	
Street Scene and Waste	28,229	318	(1,237)	27,310
Public Protection and Development	(4,692)	23	(125)	(4,794)
Sustainable Communities	3,035	45	(1,135)	1,945
Safer Merton	1,321	20	(25)	1,316
Senior Management and Support	(185)	4	181	(0)
TOTAL EXPENDITURE	27,708	411	(2,343)	25,777

ENVIRONMENT AND REGENERATION DEPARTMENT

Departmental Summary

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
643	655

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	22,640	92	(418)	22,314
Premises	3,502	39	(213)	3,329
Transport	6,153	42	(313)	5,882
Supplies and Services	5,599	50	(1,838)	3,811
Third Party Payments	13,844	187	(646)	13,384
Transfer Payments	21	0	0	21
Support Services	10,351	0	(55)	10,296
Depreciation and Impairment Losses	6,588	0	0	6,588
GROSS EXPENDITURE	68,698	411	(3,484)	65,625
Income				
Government Grants	(930)	0	506	(424)
Other Reimbursements and Contributions	(4,069)	0	1,482	(2,587)
Customer and Client Receipts	(29,043)	0	(1,716)	(30,758)
Interest	0	0	0	0
Recharges	(5,432)	0	417	(5,015)
Reserves	(1,516)	0	453	(1,063)
GROSS INCOME	(40,989)	0	1,141	(39,848)
NET EXPENDITURE	27,708	411	(2,343)	25,777

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings	(1,423)	12
Reprofiled Savings	(215)	
Previous years savings	(15)	
Depreciation adjustments	(615)	
Overhead adjustments	362	
Technical adjustments	(436)	
TOTAL	(2,342)	12

ENVIRONMENT AND REGENERATION DEPARTMENT

Street Scene and Waste: Traffic and Highway Services, Transport Services, Waste Management and Operations.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
353	361

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	10,854	92	(29)	10,917
Premises	1,587	20	(75)	1,532
Transport	5,657	35	(306)	5,386
Supplies and Services	1,150	12	21	1,183
Third Party Payments	10,965	159	(633)	10,491
Transfer Payments	2	0	0	2
Support Services	5,709	0	(239)	5,470
Depreciation and Impairment Losses	5,818	0	0	5,818
GROSS EXPENDITURE	41,742	318	(1,261)	40,799
Income				
Government Grants	(189)	0	189	0
Other Reimbursements and Contributions	(820)	0	195	(625)
Customer and Client Receipts	(9,837)	0	(716)	(10,553)
Recharges	(2,417)	0	106	(2,311)
Reserves	(250)	0	250	0
GROSS INCOME	(13,513)	0	23	(13,489)
NET EXPENDITURE	28,229	318	(1,237)	27,310

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings	(996)	8
Reprofiled Savings	(81)	
Previous years growth	0	
Overhead adjustments	(133)	
Depreciation adjustments	7	
Technical adjustments	(34)	
TOTAL	(1,237)	8

ENVIRONMENT AND REGENERATION DEPARTMENT

Public Protection & Development: Consumer and Business Protection, Environmental Health, Development Control, Building Control, Parking Control.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
137	146

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	5,515	0	44	5,559
Premises	651	7	18	676
Transport	229	3	(3)	229
Supplies and Services	995	9	(414)	589
Third Party Payments	383	4	(64)	323
Transfer Payments	2	0	0	2
Support Services	1,589	0	154	1,743
Depreciation and Impairment Losses	56	0	0	56
GROSS EXPENDITURE	9,420	23	(267)	9,177
Income				
Government Grants	(360)	0	312	(48)
Other Reimbursements and Contributions	(208)	0	9	(199)
Customer and Client Receipts	(13,321)	0	(299)	(13,619)
Recharges	0	0	0	0
Reserves	(223)	0	119	(104)
GROSS INCOME	(14,112)	0	141	(13,970)
NET EXPENDITURE	(4,692)	23	(125)	(4,794)

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings	(180)	9.0
Reprofiled Savings	(24)	
Overhead adjustments	154	
Depreciation adjustments	3	
Technical adjustments	(78)	
TOTAL	(125)	9.0

ENVIRONMENT AND REGENERATION DEPARTMENT

Sustainable Communities: Physical Regeneration, Spatial Planning and Policy, Regeneration Partnerships, Property Management, Greenspaces, Leisure and Culture Development, Transport Planning & Safety Education, Business Performance.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
116	113

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	4,443	0	(315)	4,128
Premises	1,259	13	(157)	1,116
Transport	259	4	(4)	259
Supplies and Services	3,004	23	(1,393)	1,634
Third Party Payments	1,029	6	(32)	1,003
Transfer Payments	17	0	0	17
Support Services	2,594	0	43	2,637
Depreciation and Impairment Losses	611	0	0	611
GROSS EXPENDITURE	13,217	45	(1,858)	11,404
Income				
Government Grants	(59)	0	0	(59)
Other Reimbursements and Contributions	(1,554)	0	1,331	(223)
Customer and Client Receipts	(5,876)	0	(704)	(6,580)
Recharges	(1,650)	0	(13)	(1,663)
Reserves	(1,043)	0	110	(933)
GROSS INCOME	(10,182)	0	723	(9,459)
NET EXPENDITURE	3,035	45	(1,135)	1,945

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings	(247)	(3.0)
Reprofiled Savings	(26)	
Previous years savings	(15)	
Overhead adjustments	30	
Depreciation adjustments	(625)	
Technical adjustments	(252)	
TOTAL	(1,135)	(3.0)

ENVIRONMENT AND REGENERATION DEPARTMENT

Safer Merton: Management of the Community Safety Partnership and related legislation.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
27	25

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	1,032	0	(20)	1,012
Premises	5	0	0	5
Transport	7	0	0	7
Supplies and Services	167	2	9	179
Third Party Payments	1,467	18	83	1,568
Transfer Payments	0	0	0	0
Support Services	358	0	(27)	331
Depreciation and Impairment Losses	104	0	0	104
GROSS EXPENDITURE	3,139	20	45	3,204
Income				
Government Grants	(322)	0	5	(317)
Other Reimbursements and Contributions	(1,487)	0	(53)	(1,539)
Customer and Client Receipts	(10)	0	4	(6)
Recharges	0	0	0	0
Reserves	0	0	(26)	(26)
GROSS INCOME	(1,818)	0	(70)	(1,888)
NET EXPENDITURE	1,321	20	(25)	1,316

Other variations are analysed as follows:

Major Items	£000	fte
Overhead adjustments	(27)	(2.5)
Technical adjustments	2	
TOTAL	(25)	(2.5)

ENVIRONMENT AND REGENERATION DEPARTMENT

Senior Management and Support: The Department's senior management and secretarial support.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
10	10

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	796	0	(98)	698
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	282	4	(60)	226
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	102	0	15	116
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	1,180	4	(143)	1,041
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Recharges	(1,365)	0	324	(1,041)
Reserves	0	0	0	0
GROSS INCOME	(1,365)	0	324	(1,041)
NET EXPENDITURE	(185)	4	181	(0)

Other variations are analysed as follows:

Major Items	£000	fte
Technical adjustments	(74)	0
Reprofiled Savings	(84)	
Overhead adjustments	339	
TOTAL	181	0



2013/2014 ESTIMATES

COMMUNITY AND HOUSING DEPARTMENT

COMMUNITY AND HOUSING DEPARTMENT Total

The department includes Adult Social Care, Housing, Libraries and Merton Adult Education.

FULL TIME EQUIVALENTS

Number of FTE Staff
Number of FTE PCT TUPE staff

2012/13	2013/14
531.79	524.71
21.28	19.88

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	19,332	16	151	19,500
Premises	1,053	16	(11)	1,058
Transport	1,499	23	(107)	1,415
Supplies and Services	5,045	71	(292)	4,824
Third Party Payments	43,371	653	(2,085)	41,939
Transfer Payments	12,639	0	391	13,030
Support Services	8,005	0	534	8,538
Depreciation and Impairment Losses	725	0	1	725
GROSS EXPENDITURE	91,668	779	(1,418)	91,029
Income				
Government Grants	(10,011)	0	7,208	(2,802)
Other Reimbursements and Contributions	(7,574)	0	(2,561)	(10,135)
Customer and Client Receipts	(10,251)	(1)	(1,025)	(11,277)
Interest	0	0	0	0
Recharges	(3,317)	0	0	(3,317)
Reserves	(381)	0	356	(25)
GROSS INCOME	(31,534)	(1)	3,979	(27,556)
NET EXPENDITURE	60,133	778	2,561	63,473

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(6,317)	(1.60)
Previous years savings	0	0
Previous years growth	1,522	0
Overheads adjustments	534	0
Depreciation adjustments	0	0
Rebasing of Income	(800)	0
Technical adjustments	617	0
Transfers between departments	(175)	0
Grants	10,446	0
Other	(3,266)	(6.88)
TOTAL	2,561	(8.48)

SUMMARY: COMMUNITY AND HOUSING

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE PCT TUPE staff

2012/13	2013/14
531.79	524.71
21.28	19.88
553.1	544.6

SERVICE AREA ANALYSIS

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Adult Social Care	55,037	742	2,260	58,039
Libraries and Heritage	3,378	14	(90)	3,303
Merton Adult Education	219	8	(54)	173
Housing General Fund	1,499	14	445	1,958
NET EXPENDITURE	60,133	778	2,561	63,473

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, Mitcham's Canons house, Pollards Hill and Morden libraries.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
30.65	31.36

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	1,758	0	56	1,813
Premises	164	2	(26)	141
Transport	3	0	0	3
Supplies and Services	351	5	(23)	334
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	232	0	54	286
Depreciation and Impairment Losses	95	0	1	96
GROSS EXPENDITURE	2,604	8	61	2,673
Income				
Government Grants	(1,817)	0	(56)	(1,873)
Other Reimbursements and Contributions	(3)	0	0	(3)
Customer and Client Receipts	(564)	0	(60)	(624)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(2,385)	0	(115)	(2,500)
NET EXPENDITURE	219	8	(54)	173

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(100)	
Previous years savings	0	
Previous years growth	0	
Overheads adjustments	54	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	2	
Transfers between departments	0	
Grants	0	
Other	(10)	0.71
TOTAL	(54)	0.71

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

2012/13	2013/14
46.40	43.20

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	1,343	0	(25)	1,319
Premises	353	6	59	418
Transport	3	0	0	3
Supplies and Services	599	6	13	618
Third Party Payments	139	2	(75)	66
Transfer Payments	0	0	0	0
Support Services	907	0	(93)	814
Depreciation and Impairment Losses	553	0	0	553
GROSS EXPENDITURE	3,897	14	(121)	3,791
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(135)	0	15	(120)
Customer and Client Receipts	(359)	0	16	(343)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	(25)	0	0	(25)
GROSS INCOME	(519)	0	31	(488)
NET EXPENDITURE	3,378	14	(90)	3,303

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(13)	(0.60)
Previous years savings	0	
Previous years growth	0	
Overheads adjustments	(93)	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	10	
Transfers between departments	9	
Grants	0	
Other	(3)	(2.60)
TOTAL	(90)	(3.20)

COMMUNITY AND HOUSING DEPARTMENT Housing General Fund

Housing Needs and Enabling Service

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
26.5	25.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	1,009	0	(48)	962
Premises	38	1	(37)	1
Transport	18	0	(0)	18
Supplies and Services	276	4	(91)	190
Third Party Payments	900	9	(0)	909
Transfer Payments	480	0	0	480
Support Services	235	0	(5)	230
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	2,957	14	(182)	2,790
Income				
Government Grants	(1,298)	0	500	(798)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(30)	0	(4)	(34)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	(130)	0	130	0
GROSS INCOME	(1,459)	0	627	(832)
NET EXPENDITURE	1,499	14	445	1,958

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(42)	(1.00)
Previous years savings	0	
Growth	0	
Overheads adjustments	(5)	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	0	
Transfers between departments	(6)	
Grants	500	
Other	(2)	
TOTAL	445	(1.00)

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

2012/13	2013/14
428.24	424.65
21.28	19.88

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Original Estimate £000	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure					
Employees	15,178	15,222	16	168	15,405
Premises	492	498	7	(6)	500
Transport	1,468	1,474	23	(107)	1,390
Supplies and Services	4,041	3,818	55	(191)	3,682
Third Party Payments	42,620	42,332	642	(2,010)	40,964
Transfer Payments	12,159	12,159	0	391	12,550
Support Services	6,630	6,630	0	578	7,208
Depreciation and Impairment Losses	138	76	0	0	76
GROSS EXPENDITURE	82,725	82,209	743	(1,177)	81,775
Income					
Government Grants	(7,109)	(6,895)	0	6,764	(131)
Other Reimbursements and Contributions	(7,691)	(7,436)	0	(2,576)	(10,012)
Customer and Client Receipts	(9,259)	(9,298)	(1)	(977)	(10,276)
Interest	0	0	0	0	0
Recharges	(3,317)	(3,317)	0	0	(3,317)
Reserves	(226)	(226)	0	226	(0)
GROSS INCOME	(27,601)	(27,172)	(1)	3,437	(23,736)
NET EXPENDITURE	55,124	55,037	742	2,260	58,039

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(6,162)	
Previous years savings	0	
Growth	1,522	
Overheads adjustments	578	
Depreciation adjustments	0	
Rebasing of Income	(800)	
Technical adjustments	605	
Transfers between departments	(178)	
Grants	9,946	
Other	(3,251)	(4.99)
TOTAL	2,260	(4.99)

PUBLIC HEALTH

This area includes the Public Health responsibilities transferred to local authorities. Responsibilities to Improve significantly the health and wellbeing of the local population, Carry out health protection functions delegated from the Secretary of State, Reduce health inequalities across the life course, ensure the provision of population healthcare advice

FULL TIME EQUIVALENTS

Number of FTE Staff
Number of FTE PCT TUPE staff

2012/13	2013/14
0.00	0.00
0.00	7.00

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	0	0	463	463
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party Payments	0	0	8,425	8,425
Transfer Payments	0	0	0	0
Support Services	0	0	97	97
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	0	0	8,985	8,985
Income				
Government Grants	0	0	(8,985)	(8,985)
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	(8,985)	(8,985)
NET EXPENDITURE	0	0	0	0

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	0	
Previous years savings	0	
Growth	0	
Overheads adjustments	0	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	0	
Transfers between departments	0	
Grants	0	
Other	0	
TOTAL	0	0.00

Risk Analysis for General Fund

- 1 The Council's draft budget for 2013/14, has been analysed to identify key areas of risk. Costs that are regarded as fixed have been disregarded along with Schools' budgets.

	£m
Expenditure	
Employees	90.0
Premises Related Expenditure	8.3
Transport Related Expenditure	10.7
Supplies and Services - DSG	30.5
Third Party Payments	82.6
Transfer Payments	120.0
Support Services	33.7
Depreciation and Impairment Losses	14.0
Cost of Borrowing	15.5
Pension Fund	4.8
Contingency	1.0
Corporate Provisions	5.8
Income	
Government Grants	252.3
Other Grants, Reimbursements and Contribs	22.0
Customer and Client Receipts	55.7
Interest	0.0
Recharges	35.3
Balances	1.3
Asset Rentals: Depreciation & Impairment	13.7
Overall Total	797.2

1. In addition, the savings proposals for 2014/17 have been assessed in terms of deliverable risk. The level of deliverable risk is:-

	£'000	%
Low	3,270	28.7
Medium	3,918	34.3
High	4,220	37.0
Total	11,408	100

2. 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 %
Expenditure				
Employees	90.0	0.25	0.50	0.75
Premises Related Expenditure	8.3	1.50	2.50	3.50
Transport Related Expenditure	10.7	2.00	3.00	4.00
Supplies and Services	30.5	1.50	2.50	3.50
Third Party Payments	82.6	3.00	5.00	7.00
Transfer Payments	120.0	3.00	4.00	5.00
Income				
Government Grants	252.3	1.00	2.00	3.00
Other Grants, Reimbursements and Contribs	22.0	1.00	2.00	3.00
Customer and Client Receipts	55.7	1.50	2.50	3.50
Savings				
Low deliverability risk	3.3	1.00		
Medium deliverability risk	3.9		2.50	
High deliverability risk	4.2			5.00
Safety Net Threshold	2.4	100.00	100.00	100.00

4. Applying the risk levels in the table above produces the following level of assessed risk:-

	£m	Min £m	Mid £m	Max £m
Expenditure				
Employees	90.0	0.23	0.45	0.68
Premises Related Expenditure	8.3	0.12	0.21	0.29
Transport Related Expenditure	10.7	0.21	0.32	0.43
Supplies and Services	30.5	0.46	0.76	1.07
Third Party Payments	82.6	2.48	4.13	5.78
Transfer Payments	120.0	3.60	4.80	6.00
Income				
Government Grants	252.3	2.52	5.05	7.57
Other Grants, Reimbursements and Contribs	22.0	0.22	0.44	0.66
Customer and Client Receipts	55.7	0.84	1.39	1.95
Interest	0.0	0.00	0.00	0.00
Recharges	35.3	0.00	0.00	0.00
Balances	1.3	0.00	0.00	0.00
Savings				
Low deliverability risk	3.3	0.03		
Medium deliverability risk	3.9		0.10	
High deliverability risk	4.2			0.21
Safety Net Threshold		2.40	2.40	2.40
		13.11	20.05	27.03

REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION – PRE DECISION OF THE BUSINESS PLAN 2013-17 (Agenda Item 5)

See Cabinet 18 February 2013 (item 17) for the report ‘Business Plan 2013-17’

Cabinet had regard to the comments and recommendations detailed in the reference from the Overview and Scrutiny Commission, namely:

- A. That Cabinet, in taking decisions relating to the Business Plan 2013-17, takes into account the comments and recommendations made by the Overview and Scrutiny Commission and the outcomes of consideration by the Overview and Scrutiny Panels. Comments are set out as follows:
- references made by the Overview & Scrutiny Panels : paragraphs 2.3-2.11
 - savings proposals relating to Corporate Services: paragraphs 2.13-2.28
 - service plans relating to Commission’s remit : paragraphs 2.25-2.28
 - business plan 2013/17: paragraph 2.32
- B. That Cabinet notes that the scrutiny of the capital budget will be carried out by the Commission at its meeting on 28 February and any reference on this will be made to Budget Council on 6 March 2013.

In consideration of these matters, Cabinet

RESOLVED: That the recommendations of the Overview and Scrutiny Commission are endorsed.

BUSINESS PLAN 2013-17 (Agenda Item 17)

It was moved by Councillor Mark Allison that Cabinet agree an additional recommendation No. 7 (upon the recommendation being put to the meeting, recommendation 7 was agreed – see resolutions below).

It was moved by Councillor Mark Betteridge that Cabinet agree an additional recommendation No. 8 (upon the recommendation being put to the meeting, recommendation 8 was agreed – see resolutions below).

Cabinet had regard to the recommendations and supporting narrative in the submitted report, the additional recommendations 7 and 8 referred to above and, upon the Chair putting the recommendations to the meeting, it was

RESOLVED: That

1. agreement is given to the response to the Overview and Scrutiny Commission and that the Medium Term Financial Strategy (MTFS) is appropriately amended for Council in March 2013;
2. having considered all of the information in the submitted report and noted the positive assurance statement given by the Director of Corporate Services based on the proposed strategy, the Council Tax in 2013/14, equating to a for approval (this represents a Council Tax freeze);
3. having considered all of the latest information and the comments from the scrutiny process, the Business Plan 2013-17 including the General Fund Budget and Council Tax Strategy for 2013/14, and the Medium Term Financial Strategy (MTFS) for 2013-2017 as submitted, subject to minor amendments and reported upon be approved and recommended to Council for approval;
4. 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 (Appendix 12) as submitted and reported upon, be approved and recommended to Council for approval;
5. it is noted that the GLA precept is still provisional at this stage and will only be confirmed on the 25 February, in time to incorporate any amendments for Council; and
6. it is noted that there may be minor amendments to figures in this report as a result of new information being received after the deadline for despatch and that this will be amended for the report to Council in March;
7. After considering the views of Overview and Scrutiny Commission the view of Cabinet is:

Items recommended for rejection by Overview and Scrutiny (Table 17 Section 2 of the report)

Items EN07 and EN10 should not be taken. The other items recommended by Overview and Scrutiny for rejection should be referred back to O&S commission for further review in light of additional information available.

Items recommended by Overview and Scrutiny for further work (Table 18 Section 2 of the report)

Cabinet thanks Overview and Scrutiny for highlighting concern about these savings. Cabinet agrees they should be taken but as none of these savings are scheduled until 2014/15, it instructs officers to bring forward more detail in 2013/14, and to provide a paragraph in relation to progress in implementing these savings in Financial Monitoring reports during the year of implementation.

Items highlighted by Overview and Scrutiny with concerns about deliverability due to weather or where it was recommended that the council should proceed with caution. (Table 20 Section 2 of the report).

Cabinet thanks Overview and Scrutiny for its positive role in highlighting the potential risks in these areas and instructs officers to recognise these issues when implementing the measures, and to provide a paragraph in relation to progress in implementing these savings in Financial Monitoring reports during the year of implementation (2013/14 in the case of ASC34, 2014/15 for the others)

Together, these changes would have the following impact on the MTFs and officers are instructed to revise it accordingly.

Impact of Recommendation 7	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
· EN07 – 1FTE reduction in enforcement team in 2016/17			53	53
· EN10 – 1FTE reduction in enforcement team in 2015/16		35		35
Increase in Budget Gap	0	35	53	88
Revised MTFs Gap	2,655	7,516	13,572	13,572

8. following the meeting of the Overview and Scrutiny Commission called for the 28 February, the Cabinet Member for Finance and the Cabinet member for Performance and Implementation, on behalf of the Cabinet, meet with the Chair of the Overview and Scrutiny Commission to give the Cabinet's response to the recommendations arising from the Overview and Scrutiny Commission's meeting.

SECTION 3. Schools Funding 2013-14

3.1 Introduction

The government announced the Dedicated Schools Grant allocation on 19th December 2012. Merton's allocation split over the three blocks was:

Description	Amount £000
Schools Block	97,291
Early Years Block	11,404
High Needs Block	25,737
Total	134,432

3.2 Schools Block

The schools block funding is triggered based on the numbers of full time equivalent pupils registered as part of the annual October census.

The Schools Block allocation of £97.291m is split into the following units:

Description	Amount £000
Centrally Retained Items	489
September growth requirement	1,380
Transfers to other blocks	293
Individual School Budgets	95,129
Total Schools Block	97,291

There are four centrally retained items. Three of these items were agreed by the Schools Forum as part of the consultation conducted last year. These items include School Admissions, the cost of administering Schools Forum and the Carbon Reduction Scheme. There is also a new item that was instructed by the DfE to be held centrally which is the cost of Copyright Licensing Agency (CLA) and the Music Publishers Association (MPA) which will be payable in 2013/14.

The September growth requirement was set at £1.380m. Historically funding was allocated at £50k where an additional external classroom is required and £40k where the class is contained within the existing school building. Following a request at Schools Forum, the Local Authority propose to increase the growth funding to £60k for all September bulge classes from 2013/14. This will require £265k of additional funding which will be allocated from a combination of increase in grant funding and reduction in AWPU.

As part of the consultation conducted last year both Primary and Secondary schools opted to de-delegate some services back to the Local Authority. The total de-delegated budget for 2013/14 is £1.644m. This together with the £93.485m that will be paid over to schools as a direct budget equals the Individual School Budgets of £95.129m.

3.3 Early Years Block

The Early Years Block allocation of £11.404m is split into the following areas:

Description	Amount £000
Transfers from other blocks	(2)
Centrally Retained Items	941
2 Year Old Offer	2,202
Contingency	100
Child minders	31
3 and 4 year old funding- PVI	2,462
3 and 4 year old funding- maintained schools	5,670
Total Early Years Block	11,404

The centrally retained items includes funding for quality and standard services, day centre services, Portage and some children social care services.

The two year old offer funding transferred from the EIG to the DSG for 2013/14. Of this funding £1.424m is expected to be spent on children through the early years funding formula. The remaining £778k will be spent on lump sum payments, OCN accreditation, development of complex needs places, Market incentives, staffing and supporting budgets, start-up funding and locality working.

The contingency has been reduced from £400k to £100k as government will adjust the grant in 2013/14 to reflect the actual number of children following the count every term. This will reduce the risk and uncertainty around take-up and which is reflected in the lower contingency sum.

Merton estimates that it would be required to make payments to the value of £31k during 2013/14 for child minders.

Based on the 2012/13 pupil counts, the estimated funding relating to 3 and 4 year old children for Merton maintained schools and PVI settings is expected to be £5.670m and £2.462 respectively for 2013/14. These figures will be updated every term following the actual pupil counts. The formulas used to allocate this funding as well as that of 2 year olds are detailed in section 3.

3.4 High Needs Block

The table below shows how Merton's current High Needs Block (HNB) funding is allocated.

Description	Amount £000
Mainstream settings (Individual SEN statements)	3,566
Special Schools	7,229
Additional Resource Provision bases	2,661
Pupil Referral Unit (PRU)	1,516
Centrally retained High Needs funding for commissioned services	10,880
Centrally retained High Needs funding for special schools	256
Additional post 16 budget allocation	235
Total Cost	26,343
DSG grant	25,737
Transfers from other blocks	291
Expected growth	315
Total Funding	26,343

Under the new High Needs funding arrangements, schools will be 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

The statement funding, which was allocated through the previous formula and paid to schools every two months, forms part of the HNB in the new funding system. This funding will be used to make top-up payments from 2013/14. The top-up funding will be based on bandings as it was in the past.

Under the new place-plus arrangements, specialist SEN and LDD schools will 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 agreed between Merton and the school. The total for special schools includes the school budgets for Cricket Green, Perseid, and Melrose special schools.

Under the previous formula, the additional resourced provision bases attracts both AWPU funding and per-place funding. Under the new arrangements, 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, but pupils placed in that provision will not attract AWPU funding.

The PRU will receive a base level of funding of £8,000 per place. Top-up funding above this level will be agreed between the commissioning local authority and provider, and paid direct to the provider by the commissioning local authority. From 1st April 2013 the PRU will have a delegated budget.

The centrally retained 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