

Merton Council

Budget/Council Tax Meeting Agenda

Membership:

The Mayor, Councillor Nick Draper

The Deputy Mayor, Councillor Karin Forbes

Councillors Tariq Ahmad, Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stephen Austin, Mark Betteridge, John Bowcott, Margaret Brierly, William Brierly, Jeremy Bruce, Angela Caldara, Richard Chellew, David Chung, David Dean, John Dehaney, Chris Edge, Corinna Edge, Samantha George, Maurice Groves, Marc Hanson, Philip Jones, Andrew Judge, Stephen Kerin, Linda Kirby, Sheila Knight, Patricia Lewis, Brian Lewis-Lavender, Gilli Lewis-Lavender, Edith Macauley, Russell Makin, Barbara Mansfield, Denise March, Maxi Martin, Peter McCabe, Krystal Miller, Oonagh Moulton, Ian Munn, Diane Neil Mills, Henry Nelles, Dennis Pearce, George Reynolds, Judy Saunders, Linda Scott, Rod Scott, Deborah Shears, David Simpson, Zenia Squires-Jamison, Peter Southgate, Geraldine Stanford, Gregory Udeh, Leighton Veale, Jonathan Warne, Martin Whelton, David Williams, Krysia Williams Richard Williams, Ronald Wilson and Simon Withey

The Budget/Council Tax meeting of the Council will be held on Wednesday 3 March 2010, commencing at 7.15pm at Merton Civic Centre, London Road, Morden, Surrey in the Council Chamber

This is a public meeting and attendance by the public is encouraged and welcomed. For more information about the agenda and the decision making process contact democratic.services@merton.gov.uk or telephone 020 8545 3616.

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Budget/Council Tax Meeting Agenda

3 March 2010

1. Apologies for Absence
2. To Approve the Minutes of the Council Meeting held on 3 February 2010 3
3. Declarations of Interest ¹
4. Budget 20010/11, and Medium term Financial Strategy 20010-2013, and Capital Programme/Strategy 20010-13 (Forward Plan ref: 861) 51

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

The Mayor has agreed that group leaders are given the opportunity to address Council for a period of up to ten minutes each.

5. Business Plan 20010/13 (Forward Plan ref: 892) 379

Note1: Declarations of Interest

Councillors and co-opted members who have a personal or prejudicial interest in relation to any item on this agenda are asked to complete a declaration form and hand it to the Democratic Services Officer. Forms, together with a summary of guidance on making declarations of interest, will be available around the meeting table. If further clarification is needed members are advised to refer to “The Code of Conduct – Guide for members May 2007” issued by Standards for England, which will be available at the meeting if needed.

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(7.15pm – 10.08pm)

PRESENT: The Mayor, Councillor Nick Draper
The Deputy Mayor, Councillor Karin Forbes
Councillors Tariq Ahmad, Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stephen Austin, Mark Betteridge, John Bowcott, Margaret Brierly, William Brierly, Jeremy Bruce, Angela Caldara, Richard Chellew, David Chung, David Dean, John Dehaney, Chris Edge, Corinna Edge, Samantha George, Marc Hanson, Philip Jones, Andrew Judge, Stephen Kerin, Linda Kirby, Sheila Knight, Patricia Lewis, Brian Lewis-Lavender, Gilli Lewis-Lavender, Edith Macauley, Russell Makin, Barbara Mansfield, Denise March, Maxi Martin, Peter McCabe, Krystal Miller, Oonagh Moulton, Ian Munn, Diane Neil Mills, Henry Nelles, Dennis Pearce, George Reynolds, Judy Saunders, Linda Scott, Rod Scott, Deborah Shears, David Simpson, Zenia Squires-Jamison, Peter Southgate, Geraldine Stanford, Gregory Udeh, Leighton Veale, Martin Whelton, David Williams, Krysia Williams Richard Williams, Ronald Wilson and Simon Withey

Apologies for absence were received from: Councillors Maurice Groves and Jonathan Warne and for lateness from Councillor George Reynolds

1 DECLARATIONS

Agenda Item 5 – Questions from Councillors

Councillor Dennis Pearce on the basis of his being the Chair of an organisation that receives a grant from the council.

2 MINUTES (Agenda Item 3)

RESOLVED: That the Minutes of Ordinary Meeting and the Extraordinary Meeting held on 25 November 2009 are agreed as correct records.

3 ANNOUNCEMENTS (Agenda Item 4)

The Mayor

“I have been quite busy since we last met, but I’m only going to report on three occasions which I found particularly significant. First of all, on Christmas Day I visited two Christmas lunch events for people who for one reason or another, cannot cook for themselves. One was in Hillside ward and the other in Cricket Green ward. I have to tell you that they were both truly joyful events and they were both excellently staffed by volunteers who gave up their own Christmas lunches to take part and it was marvellous to be at both. I have to say, and this is not a political point, that the juxtaposition of the two events brought into sharp and poignant relief for me the gulf between the rich and the poor in this borough, and reminded me of the work that we all still have to do to address that.

Second of all, on New Year’s Day, a team from Merton came second by only one

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point in the New Year's Day parade, in front of an international audience of millions. It was such a buzz to see that parade coming down Whitehall, and bobbing above them the four giant pantomime figures, whose heads are on display in the foyer. All those costumes were made by Merton students and that won £6000 towards my charities and that deserves a round of applause. It was an amazing example of people from all walks of life coming together, we had councillors, voluntary sector, professionals, friends and citizens in general and they did all that for the good and the glory of Merton. I think we should be particularly proud.

The third thing I want to mention is that last Sunday I attended three separate Holocaust Memorial events, including our own. They were all very different and were all quite harrowing and very impressive. They were all stark reminders of the worst that can happen and has happened when politicians use prejudice to their own ends and when we choose the politics of hatred and conflict over what is ethical. I do think that we always have to remind ourselves of that every day and every time we come into the chamber.

The Leader – none advised.

The Chief Executive – none advised

4 QUESTIONS FROM COUNCILLORS (Agenda Item 5)

The questions and answers together with the supplementary questions and answers may be found at Appendix 1 to these minutes.

5 STRATEGIC OBJECTIVE REVIEW – SUSTAINABLE COMMUNITIES
(STREET SCENE) (Agenda Item 6)

The questions and answers together with the supplementary questions and answers may be found at Appendix 1 to these minutes.

Councillor David Simpson introduced the report.

Motion 1 (Labour)

Prior to moving the motion detailed below Councillor Richard Williams stated that, "given that the Council has a statutory duty under the Highways Act to keep the highways and footpaths clear of snow and ice, this motion does not in any way prejudice any legal action or any particular circumstances that the council may face as a result of the snow.

It was moved by Councillor Richard Williams and seconded by Councillor Edith Macauley

This council expresses its disappointment at the failure of Merton's Conservative administration to keep our footpaths and side roads clear of snow and ice during the recent bout of inclement weather. The failure to keep footpaths clear had a major impact on the lives of our residents, especially for the elderly, as for many days people were unable to walk safely on their streets.

Council notes that £20,000 (16% of a total £121,000 budget) was cut from this year's winter maintenance budget, which includes keeping roads safe in wintry conditions. Council condemns this short sightedness with regards to the impact budget cuts can have on services to the public.

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This council is particularly concerned that the reduced budget will not be sufficient to repair the increased number of potholes, which result from ice and snow thus creating safety hazards on our roads. Council is concerned that if this administration cannot even keep our footpaths clear of snow it seems unlikely they can make changes of the magnitude required by the Transformation programme without further significant adverse effects on services.

POINT OF ORDER

The Mayor noted the following

Councillor Richard Williams commented that the Leader had made a specific allegation in relation to his opening speech. He stated that in his address he was speaking about a named road that appears on the Council's planned gritting plan and that was not gritted. He hoped that the Leader would withdraw his allegations that he was calling on roads that do not appear on that plan to have been gritted.

The Mayor put the motion to the meeting and declared the motion to be lost on a vote of 26 for the motion and 27 against.

Motion 2 (Labour)

Note: This motion was submitted in accordance with Part 4A, Paragraph 9.2 of the Constitution by Councillors Agatha Akyigyina, Geraldine Stanford, Richard Williams, Maxi Martin, Mark Betteridge and Martin Whelton.

It was moved by Councillor Mark Betteridge and seconded by Councillor Gregory Udeh that

This council condemns Merton's Conservative administration's continued refusal to give residents the choice of a clean and efficient wheeled refuse and recycling service.

This council therefore resolves to offer a wheeled bin waste collection and recycling service to all households in Merton.

The Mayor put the motion to the meeting and declared the motion to be lost on a vote of 26 for the motion and 31 against.

Motion 3 (Conservative)

It was moved by Councillor David Simpson and seconded by Councillor David Dean and

RESOLVED unanimously that

This Council continues to appreciate the clear desire of Merton residents for a clean and well-kept local environment and the important role that strong and effective enforcement action must play in achieving this.

This Council therefore notes the considerable success achieved by the London Borough of Merton in pursuing and publicising its enforcement activities against those who perpetrate environmental crimes, with for example, 27 court prosecutions and formal cautions for fly tipping already undertaken successfully since April 2009, so contributing towards a further reduction in the number of fly tips reported so far this year, in spite of the economic recession.

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The Council also recognises the ongoing problem of people dropping litter, particularly in the borough's town centres, and therefore welcomes efforts by the administration to address the concerns of residents in this area by launching a major, new anti-litter offensive designed to:

- Educate people about what comprises litter and the penalties those who drop it can and will face through a series of morning and evening roadshows in Mitcham, Morden, Wimbledon, Colliers Wood and Raynes Park;
- Target key litter hot spots in Merton's town centres;
- Ensure that anyone persisting in committing litter offences receives a fixed penalty notice, 59 of which have already been issued by the Council since April 2009 for this offence.

The Council further welcomes the additional initiatives planned by Merton's enforcement officers to crack down on environmental crimes, which include:

- Spending one day a month from February onwards out with the police targeting illegal waste carriers;
- Taking advantage of National Stop Smoking Day to increase awareness of cigarette litter;
- Working with local schoolchildren to educate them about how to dispose of chewing gum properly;
- Delivering further Action in Merton events in partnership with the local police, comprising 2 to 3 days of targeted action to tackle crime and anti-social behaviour and make the area cleaner and safer;
- Holding roadshows highlighting the health, legal and financial implications of dog fouling.

This Council believes that everyone needs to take responsibility for the cleanliness of the borough's streets and understand the impact of environmental crimes on the local street scene; and thereby resolves to continue taking direct and immediate action against the minority of people intent on despoiling the borough's streets and the quality of life of Merton's residents.

6 REPORTS OF COMMUNITY FORUMS (Agenda Item 7)

Reports received.

7 NOTICES OF MOTION (Agenda Item 8)

Motion 1 (Labour)

It was moved by Councillor Andrew Judge and seconded by Councillor Mark Allison that

This council condemns the ongoing burden on Merton residents of the cost of resident and visitor parking permits. Council is concerned that this financial year's decision to increase visitor permit fees was taken on 27 February 2009, before the Council's Budget meeting, but that a copy of the decision was not distributed to Councillors until 6 April, and that even though the Sustainable Communities Scrutiny

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Panel had asked for "information on revised parking fees". Members were not informed of the detail of the decision until after the Budget meeting, and therefore had no opportunity to amend the decision or conduct a Call-In.

This Council further notes that no contemporaneous legal advice about the decision was sought. Council also notes that the decision was "based upon no elasticity of demand" and condemns the maximisation of revenue from parking permits in residential zones across the borough as a source of general income for the council.

This council notes that the cost of a visitors half day parking permit has increased by 150% since 2006 (£1 April 2006, £2.50 April 2009), whilst the cost of an annual resident parking permit has increased by 44% (£45 April 2006, £65 April 2009) in the same time period. Visitors full day parking permits have increased by 25% since 2006 (£2 April 2006, £2.50 April 2009) whilst additional resident annual parking permits have increased by between 33% and 37.5% (£80-£105 April 2006, £110-£140 April 2009). This council acknowledges that this represents a huge increase in income for the council which is not justified in relation to the cost of providing the service.

Amendment (MPWIR)

It was moved by Councillor Peter Southgate and seconded by Councillor Krysia Williams that the following words be added at the end of the Motion:

"Mindful of these concerns, this council undertakes to limit any future increases in resident and visitor permit fees to increases in the cost of operating and enforcing the system, in accordance with the guidance from the Secretary of State. This council further requests officers to investigate the re-introduction of the half day visitor permit, to consider how to find compensating revenues from elsewhere in the parking portfolio, and to report back to council"

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, Stephen Austin, Mark Betteridge, Angela Caldara, David Chung, John Dehaney, Nick Draper, Karin Forbes, Philip Jones, Andrew Judge, Linda Kirby, Sheila Knight, Patricia Lewis, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Ian Munn, Dennis Pearce, George Reynolds, Judy Saunders, Peter Southgate, Zenia Squires-Jamison, Geraldine Stanford, Gregory Udeh, Leighton Veale, Martin Whelton, Krysia Williams and Richard Williams.

Voting against the amendment 27:

Councillors Tariq Ahmad, John Bowcott, Margaret Brierly, William Brierly, Jeremy Bruce, Richard Chellew, David Dean, Chris Edge, Corinna Edge, Samantha George, Marc Hanson, Stephen Kerin, Brian Lewis-Lavender, Gilli Lewis-Lavender, Barbara Mansfield, Denise March, Krystal Miller, Oonagh Moulton, Diane Neil Mills, Henry Nelles, Linda Scott, Rod Scott, Deborah Shears, David Simpson, David Williams, Ronald Wilson and Simon Withey

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The Mayor declared the amendment to be carried.

Amendment to the substantive motion (Conservative)

It was moved by Councillor William Brierly and seconded by Councillor Chris Edge that the substantive motion is amended as follows:

(Note: In seconding the amendment Councillor Chris Edge asked that it be recorded that "Voting against our amendment can only be seen as a vote against funding concessionary fares and freedom passes.")

This council recognises the ongoing burden on Merton residents of the cost of resident and visitor parking permits and therefore welcomes the administration's proposal not to increase charges for the coming financial year (2010/11). Council also acknowledges that officers have delegated powers to approve non-key issues, such as parking fees, and notes that the decision this financial year to increase visitor permit fees taken on 27 February 2009, did not breach either the Council's constitution or legal rules.

This Council further notes that although no contemporaneous legal advice about the decision was sought, the decision was taken in accordance with the relevant legislation and the guidance contained in the Secretary of State's Traffic Management and Parking Guidance for London, which states that, in terms of pricing, residents' permits and visitors' permits should be priced in a way that covers the cost of operating and enforcing the permit system, while also rationing and controlling the demand on the parking spaces available.

This council notes that the cost of a visitors half day parking permit has increased by 150% since 2005 (£1 September 2005, £2.50 April 2009), whilst the cost of an annual resident parking permit has increased by 44% (£45 September 2005, £65 April 2009) in the same time period. Visitors full day parking permits have increased by 25% since 2005 (£2 September 2005, £2.50 April 2009) whilst additional resident annual parking permits have increased by between 33% and 37.5% (£80-£105 September 2005, £110-£140 April 2009).

However, since Labour's last Budget in 2006, resident parking permits have gone up by £10 (from £55 to £65) and all day visitor permits by 50p (from £2 to £2.50). With no increase contemplated in 2010/11, the increase in the resident permit will average £2 per year and 10p per year for visitor permits. These are modest rises in comparison to the overall cost of motoring and fully in line with guidance from the Secretary of State.

This council acknowledges that this represents an increase in income for the council which is appropriate to the cost of providing the service.

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

Voting for the amendment 27:

Councillors Tariq Ahmad, John Bowcott, Margaret Brierly, William Brierly, Jeremy Bruce, Richard Chellew, David Dean, Chris Edge, Corinna Edge, Samantha George, Marc Hanson, Stephen Kerin, Brian Lewis-Lavender, Gilli Lewis-Lavender, Barbara Mansfield, Denise March, Krystal Miller, Oonagh Moulton, Diane Neil Mills, Henry

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Nelles, Linda Scott, Rod Scott, Deborah Shears, David Simpson, David Williams, Ronald Wilson and Simon Withey

Voting against the amendment 31:

Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stephen Austin, Mark Betteridge, Angela Caldara, David Chung, John Dehaney, Nick Draper, Karin Forbes, Philip Jones, Andrew Judge, Linda Kirby, Sheila Knight, Patricia Lewis, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Ian Munn, Dennis Pearce, George Reynolds, Judy Saunders, Peter Southgate, Zenia Squires-Jamison, Geraldine Stanford, Gregory Udeh, Leighton Veale, Martin Whelton, Krysia Williams and Richard Williams.

The Mayor declared the amendment to be lost and thereupon put the substantive motion to the meeting which was declared to be carried on a vote of 31 for the substantive motion and 27 against.

It was, therefore

RESOLVED: That

This council condemns the ongoing burden on Merton residents of the cost of resident and visitor parking permits. Council is concerned that this financial year's decision to increase visitor permit fees was taken on 27 February 2009, before the Council's Budget meeting, but that a copy of the decision was not distributed to Councillors until 6 April, and that even though the Sustainable Communities Scrutiny Panel had asked for "information on revised parking fees". Members were not informed of the detail of the decision until after the Budget meeting, and therefore had no opportunity to amend the decision or conduct a Call-In.

This Council further notes that no contemporaneous legal advice about the decision was sought. Council also notes that the decision was "based upon no elasticity of demand" and condemns the maximisation of revenue from parking permits in residential zones across the borough as a source of general income for the council.

This council notes that the cost of a visitors half day parking permit has increased by 150% since 2006 (£1 April 2006, £2.50 April 2009), whilst the cost of an annual resident parking permit has increased by 44% (£45 April 2006, £65 April 2009) in the same time period. Visitors full day parking permits have increased by 25% since 2006 (£2 April 2006, £2.50 April 2009) whilst additional resident annual parking permits have increased by between 33% and 37.5% (£80-£105 April 2006, £110-£140 April 2009). This council acknowledges that this represents a huge increase in income for the council which is not justified in relation to the cost of providing the service.

Mindful of these concerns, this council undertakes to limit any future increases in resident and visitor permit fees to increases in the cost of operating and enforcing the system, in accordance with the guidance from the Secretary of State. This council further requests officers to investigate the re-introduction of the half day visitor permit, to consider how to find compensating revenues from elsewhere in the parking portfolio, and to report back to council.

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Motion 2 (Labour)

It was moved by Councillor Stephen Alambritis and seconded by Councillor Mark Betteridge that

This council condemns Merton's Conservative administration and owners Golfrate for their failure to address the blighting of the local community by the Tower in Colliers Wood. This Council is concerned that the temporary green netting and boarded windows have become a permanent feature and that there has been no other work to remedy safety concerns or improve the appearance of the Tower since. This Council believes the dilapidation is contributing to anti-social activities in the Borough, and calls on the Cabinet Member and Golfrate to agree a sustainable solution to this issue and ensure the redevelopment of the Tower is achieved, as agreed by Planning Committee, with resident's interests at the forefront.

Conservative Amendment

It was moved by Councillor Diane Neil Mills and seconded by Councillor Henry Nelles that the motion is amended to read as follows:

This council regrets the current national economic situation that has prevented a number of development schemes from progressing, not only here in Merton but across the UK in general.

Of particular concern to this council is the Brown and Root Tower in Colliers Wood, which continues to win the dubious distinction as the most loathed structure in London with repeated calls for its demolition.

Whilst this Council welcomes the effort that has been made by officers to ensure its safety, this Council is concerned that the temporary green netting and boarded windows have become a permanent feature and that there has been no other work to improve the appearance of the Tower since.

This Council does however recognise the work of officers and the Cabinet Member to investigate means of bringing forward a redevelopment, including discussions with the Mayor of London and the current owners, in particular over the past 18 months.

This Council believes the dilapidation is contributing to anti-social activities in the local area, and calls on the Cabinet Member and Golfrate to continue to investigate ways of delivering a sustainable solution to this issue and bring forward a long-overdue redevelopment of the Tower, with residents' interests at the forefront.

The Mayor put the amendment to the meeting and it was declared to be carried on a vote of 31 for the amendment and 26 against.

The Mayor thereupon put the substantive motion to the meeting and it was declared, there being no votes to the contrary, to be carried.

RESOLVED: That

This council regrets the current national economic situation that has prevented a number of development schemes from progressing, not only here in Merton but across the UK in general.

Of particular concern to this council is the Brown and Root Tower in Colliers Wood, which continues to win the dubious distinction as the most loathed structure in

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London with repeated calls for its demolition.

Whilst this Council welcomes the effort that has been made by officers to ensure its safety, this Council is concerned that the temporary green netting and boarded windows have become a permanent feature and that there has been no other work to improve the appearance of the Tower since.

This Council does however recognise the work of officers and the Cabinet Member to investigate means of bringing forward a redevelopment, including discussions with the Mayor of London and the current owners, in particular over the past 18 months.

This Council believes the dilapidation is contributing to anti-social activities in the local area, and calls on the Cabinet Member and Golfrate to continue to investigate ways of delivering a sustainable solution to this issue and bring forward a long-overdue redevelopment of the Tower, with residents' interests at the forefront.

Motion 3 (Conservative)

It was moved by Councillor David Dean and seconded by Councillor Samantha George that

This Council recognises the crucial role that both central and local government can play in tackling climate change and therefore welcomes the various actions this administration has taken in recent years to cut the borough's CO₂ emissions, which include:

- Achieving a 22% reduction in emissions from the Civic Centre in Morden, equating to over 450 tonnes of CO₂.
- Employing a full-time energy and sustainability manager and conducting a comprehensive programme of environmental audits for council buildings.
- Introducing energy saving projects across all council buildings in Merton such as improved insulation, more efficient lights, time controls for heating and electrical items and equipment reducing the voltage of electricity supplied to buildings, so saving a total of more than 1,900 tonnes of CO₂ and over £285,000 since 2005;
- Implementing the borough's first ever Climate Change Strategy.
- Making it as easy as possible for residents to recycle – and thereby increasing recycling rates to over 33% - through initiatives such as the introduction of mixed recycling collection for houses and communal recycling bins in blocks of 10 or more flats; providing new dual litter and recycling bins in Mitcham town centre; offering free Christmas tree collection as well as recycling and replanting of Christmas trees; a waste education programme in the our schools; recycling roadshows around the borough; and rolling out a food waste collection scheme to 10,000 Merton households.
- Encouraging more residents to walk and cycle through initiatives such as school travel plans; rolling out 20's Plenty schemes in many of our residential streets; opening the borough's first Homezone in Figge's Marsh; investing over £250,000 over the last two years in Merton's existing cycle network; and securing one of the capital's first two Cycle Superhighways.

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- Promoting sustainable forms of public transport, not least through the opening of a new station at Mitcham Eastfields – the first new suburban train station in south London since World War II – in the space of only 22 months.
- Extending the Merton Rule to include all new developments and developing an innovative monitoring system to measure how much renewable energy is being generated.

This Council also understands the need for government to set an example for others to follow when it comes to tackling climate change, as demonstrated by George Osborne MP's recent commitment that a Conservative government will 'cut central government emissions by ten per cent within twelve months'.

This Council therefore welcomes the current administration's clear commitment - illustrated by the Cabinet signing up to the national 10:10 campaign at its meeting on 9 November 2009- to reduce Merton council's carbon emissions by 10% during 2010 through a range of actions including:

- Upgrading the council's fleet of vehicles with more efficient engines, which are able to run on biodiesel made using vegetable oil rather than unsustainable fossil fuel;
- Making the borough's street lighting more energy efficient;
- Investigating the installation of a Combined Cooling Heat and Power (CCHP) system in the Civic Centre, which could supply the building with electricity, cooling water and heat and save over 200 tonnes of CO₂ every year.
- Developing one of the capital's 10 new Low Carbon Zones in a less affluent part of the borough and investing over £275,000 from the Mayor of London to facilitate home improvements, deliver lower energy bills and create employment opportunities, through initiatives such as an apprenticeship scheme for residents to become "energy doctors"; opportunities to generate energy from waste to heat homes and community buildings; and workshops and roadshows on energy, sustainable transport and waste reduction.
- Encouraging more cyclists in Merton using additional support secured from the Mayor of London's Biking Boroughs scheme.

This Council further resolves to redouble its efforts to build on its reputation as a low carbon borough, by continuing to work closely together with local residents, schools, community groups and businesses to make Merton more energy efficient and environmentally sustainable for the future and at the same time helping stimulate the local economy and create job opportunities during this time of economic recession.

Amendment (Labour)

It was moved by Councillor Andrew Judge and seconded by Councillor Stephen Alambritis that

This Council recognises the crucial role that both central and local government can play in tackling climate change and therefore welcomes the various actions this administration has taken in recent years to cut the borough's CO₂ emissions, which include:

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- Achieving a 22% reduction in emissions from the Civic Centre in Morden, equating to over 450 tonnes of CO₂.
- Employing a full-time energy and sustainability manager and conducting a comprehensive programme of environmental audits for council buildings.
- Introducing energy saving projects across all council buildings in Merton such as improved insulation, more efficient lights, time controls for heating and electrical items and equipment reducing the voltage of electricity supplied to buildings, so saving a total of more than 1,900 tonnes of CO₂ and over £285,000 since 2005;
- Implementing the borough's first ever Climate Change Strategy.
- Increasing recycling rates to over 33% - through initiatives such as the introduction of mixed recycling collection for houses and communal recycling bins in blocks of 10 or more flats; providing new dual litter and recycling bins in Mitcham town centre; offering free Christmas tree collection as well as recycling and replanting of Christmas trees; a waste education programme in the our schools; recycling roadshows around the borough; and rolling out a food waste collection scheme to 10,000 Merton households.
- Encouraging more residents to walk and cycle through initiatives such as school travel plans; rolling out 20's Plenty schemes in many of our residential streets; opening the borough's first Homezone in Figge's Marsh; investing over £250,000 over the last two years in Merton's existing cycle network; and securing one of the capital's first two Cycle Superhighways.
- Promoting sustainable forms of public transport, not least through the opening of a new station at Mitcham Eastfields – the first new suburban train station in south London since World War II – in the space of only 22 months.
- Extending the Merton Rule to include all new developments and developing an innovative monitoring system to measure how much renewable energy is being generated.

This Council also understands the need for national and local government to set an example for others to follow when it comes to tackling climate change.

This Council therefore welcomes the current administration's commitment to the national 10:10 campaign at its meeting on 9 November 2009- to reduce Merton council's carbon emissions by 10% during 2010. It is noted that the administration suggests that this will be achieved through a range of actions including:

- Upgrading the council's fleet of vehicles with more efficient engines, which are able to run on biodiesel made using vegetable oil rather than unsustainable fossil fuel;
- Making the borough's street lighting more energy efficient;
- Investigating the installation of a Combined Cooling Heat and Power (CCHP) system in the Civic Centre, which could supply the building with electricity, cooling water and heat and save over 200 tonnes of CO₂ every year.

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- Developing one of the capital's 10 new Low Carbon Zones in a less affluent part of the borough and investing over £275,000 from the Mayor of London to facilitate home improvements, deliver lower energy bills and create employment opportunities, through initiatives such as an apprenticeship scheme for residents to become "energy doctors"; opportunities to generate energy from waste to heat homes and community buildings; and workshops and roadshows on energy, sustainable transport and waste reduction.
- Encouraging more cyclists in Merton using additional support secured from the Mayor of London's Biking Boroughs scheme.

This Council affirms the belief that a reduction of Merton Council's carbon emissions by 10% during 2010 will only be achieved through a closely managed programme of actions and targets that are additional to the current business plan and invites the administration to develop such a programme as a matter of urgency.

In relation to the suggestions of the administration this Council:

- (i) notes that there has been a stated intention to investigate the development of an Energy Services Company to facilitate the installation of combined cooling heat and power systems in the Council's buildings and local schools for a number of years without apparent progress
- (ii) encourages the investigation of CCHP in the civic centre, but expresses scepticism that such a system could be tendered, contracted and installed by the end of 2010 such as to make any contribution to the new target
- (iii) notes that Mitcham has been designated a low carbon 'Energy Action Zone' for a number of years without apparent progress despite outline plans for a Mitcham district heating system having been formulated by 2005
- (iv) notes the recent additional support of £25,000 from TfL to fund a local study examining how cycle journeys can be increased, but expresses scepticism that this will be sufficient on its own to create in Merton a 'haven for cycling' in the words of Merton's press release of 13th January, nor that it would be likely to make an appreciable contribution to the 2010 target
- (v) notes that the Cycle Superhighway Scheme begun under the last Mayor and continued by the current Mayor is now to terminate at Colliers Wood in 2010 instead of South Wimbledon, following discussions with this administration, which preferred a route along Merantun Way to Morden Town Centre, with a further extension to the western end of Merantun Way not now planned for completion until May 2012.

This Council further resolves to redouble its efforts to build on its reputation as a low carbon borough, by continuing to work closely together with local residents, schools, community groups and businesses to make Merton more energy efficient and environmentally sustainable for the future and at the same time helping stimulate the local economy and create job opportunities during this time of economic recession.

The Mayor put the amendment to the meeting and it was declared to be carried with 28 voting for the amendment and 27 against.

The Mayor thereupon put the substantive motion to the meeting and it was declared,

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there being no votes to the contrary, to be carried.

RESOLVED: That

This Council recognises the crucial role that both central and local government can play in tackling climate change and therefore welcomes the various actions this administration has taken in recent years to cut the borough's CO₂ emissions, which include:

- Achieving a 22% reduction in emissions from the Civic Centre in Morden, equating to over 450 tonnes of CO₂.
- Employing a full-time energy and sustainability manager and conducting a comprehensive programme of environmental audits for council buildings.
- Introducing energy saving projects across all council buildings in Merton such as improved insulation, more efficient lights, time controls for heating and electrical items and equipment reducing the voltage of electricity supplied to buildings, so saving a total of more than 1,900 tonnes of CO₂ and over £285,000 since 2005;
- Implementing the borough's first ever Climate Change Strategy.
- Increasing recycling rates to over 33% - through initiatives such as the introduction of mixed recycling collection for houses and communal recycling bins in blocks of 10 or more flats; providing new dual litter and recycling bins in Mitcham town centre; offering free Christmas tree collection as well as recycling and replanting of Christmas trees; a waste education programme in the our schools; recycling roadshows around the borough; and rolling out a food waste collection scheme to 10,000 Merton households.
- Encouraging more residents to walk and cycle through initiatives such as school travel plans; rolling out 20's Plenty schemes in many of our residential streets; opening the borough's first Homezone in Figge's Marsh; investing over £250,000 over the last two years in Merton's existing cycle network; and securing one of the capital's first two Cycle Superhighways.
- Promoting sustainable forms of public transport, not least through the opening of a new station at Mitcham Eastfields – the first new suburban train station in south London since World War II – in the space of only 22 months.
- Extending the Merton Rule to include all new developments and developing an innovative monitoring system to measure how much renewable energy is being generated.

This Council also understands the need for national and local government to set an example for others to follow when it comes to tackling climate change.

This Council therefore welcomes the current administration's commitment to the national 10:10 campaign at its meeting on 9 November 2009- to reduce Merton council's carbon emissions by 10% during 2010. It is noted that the administration suggests that this will be achieved through a range of actions including:

- Upgrading the council's fleet of vehicles with more efficient engines, which

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are able to run on biodiesel made using vegetable oil rather than unsustainable fossil fuel;

- Making the borough's street lighting more energy efficient;
- Investigating the installation of a Combined Cooling Heat and Power (CCHP) system in the Civic Centre, which could supply the building with electricity, cooling water and heat and save over 200 tonnes of CO₂ every year.
- Developing one of the capital's 10 new Low Carbon Zones in a less affluent part of the borough and investing over £275,000 from the Mayor of London to facilitate home improvements, deliver lower energy bills and create employment opportunities, through initiatives such as an apprenticeship scheme for residents to become "energy doctors"; opportunities to generate energy from waste to heat homes and community buildings; and workshops and roadshows on energy, sustainable transport and waste reduction.
- Encouraging more cyclists in Merton using additional support secured from the Mayor of London's Biking Boroughs scheme.

This Council affirms the belief that a reduction of Merton Council's carbon emissions by 10% during 2010 will only be achieved through a closely managed programme of actions and targets that are additional to the current business plan and invites the administration to develop such a programme as a matter of urgency.

In relation to the suggestions of the administration this Council:

- (vi) notes that there has been a stated intention to investigate the development of an Energy Services Company to facilitate the installation of combined cooling heat and power systems in the Council's buildings and local schools for a number of years without apparent progress
- (vii) encourages the investigation of CCHP in the civic centre, but expresses scepticism that such a system could be tendered, contracted and installed by the end of 2010 such as to make any contribution to the new target
- (viii) notes that Mitcham has been designated a low carbon 'Energy Action Zone' for a number of years without apparent progress despite outline plans for a Mitcham district heating system having been formulated by 2005
- (ix) notes the recent additional support of £25,000 from TfL to fund a local study examining how cycle journeys can be increased, but expresses scepticism that this will be sufficient on its own to create in Merton a 'haven for cycling' in the words of Merton's press release of 13th January, nor that it would be likely to make an appreciable contribution to the 2010 target
- (x) notes that the Cycle Superhighway Scheme begun under the last Mayor and continued by the current Mayor is now to terminate at Colliers Wood in 2010 instead of South Wimbledon, following discussions with this administration, which preferred a route along Merantun Way to Morden Town Centre, with a further extension to the western end of Merantun Way not now planned for completion until May 2012.

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This Council further resolves to redouble its efforts to build on its reputation as a low carbon borough, by continuing to work closely together with local residents, schools, community groups and businesses to make Merton more energy efficient and environmentally sustainable for the future and at the same time helping stimulate the local economy and create job opportunities during this time of economic recession.

Point of Information

Councillor Ian Munn, responding to a point made by Councillor Samantha George, stated that it is true that there is an aspiration to provide a low energy proposal to benefit parts of his ward but wished to assure council that no officer has spoken to him or his fellow ward councillors about becoming involved in this. As Chair of Benedict Primary School there has not been an approach to him by officers and so this is a matter of aspiration and can only be brought about if the council grants planning permission of a scheme to be brought before the council in two months time. The scheme cannot be achieved at all in under three years and so it is hoped that this aspiration is not seen as an achievement.

Motion 4 (Conservative)

It was moved by Councillor Tariq Ahmad, seconded by Councillor Samantha George and

RESOLVED: That

This Council notes that Wednesday 27 January 2010 marked the 65th anniversary of the liberation of the largest Nazi concentration camp, Auschwitz-Birkenau, and it affirms the various events that took place across the borough to mark this year's Holocaust Memorial Day.

This Council recognises the importance of Holocaust Memorial Day both in remembering the victims and survivors of Nazi persecution during the Holocaust, and those affected by subsequent genocides around the world, and in bringing together all sections of our community to learn the lessons of the past and commit to building a better future.

This Council therefore resolves to continue challenging all forms of discrimination, persecution and racism so as to ensure atrocities such as the Holocaust can never happen again.

8 CALANDAR OF MEETINGS (Agenda Item 9)

It was moved by Councillor David Williams, seconded by Councillor Alambritis and

RESOLVED: That the Calendar of Meetings set out in Appendix 1 to the submitted report is approved.

9 CHANGES TO MEMBERSHIP OF COMMITTEES AND RELATED MATTERS (Agenda Item 10)

It was moved by Councillor Richard Chellew, seconded by Councillor David Williams and

RESOLVED: That

A. Councillor Chris Edge is appointed as a member of the Standards

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Committee; and

- B. the changes to the membership of committees approved under delegated powers since the last meeting of the council are noted.

10 PETITIONS (Agenda Item 11)

11 (1) Council received the following petitions:

Councillor Andrew Judge presented a petition on behalf of Wimbledon residents taking the form of a survey and asking residents as to whether or not they would wish to see the development of a Waitrose on the former B&Q site in Alexander Road.

Councillor Andrew Judge presented a petition in respect of the Extending of Controlled Drinking Zones.

Councillor Stephen Alambritis presented a petition on behalf of Morden businesses in respect of unruly children in the Town Centre.

11 (2) Council noted the advice provided on those petitions presented to the 25 November Council.

On the basis that there may be more than the one candidate in the forthcoming election, Councillor Richard Williams suggested a wording change to the first of the items as presented by Councillor Diane Neil Mills comprising the replacement of the word “the” with “a” – sentence to read “....petiton presented on behalf of a PPC.....”

Agenda Item 5 – Questions from Councillors

1 From Councillor Chris Edge to the Cabinet Member for Housing and Community Services:

Can the Cabinet member update me on the council's progress with regard to meeting its Business Plan targets on a) the number of active users of the borough's libraries and b) the number of new library members?

Response

Active users: (people who have borrowed an item or accessed the People's Network computers once in the last 12 months): this target has been met right from April 09 and there has been a steady increase month on month, Whereas April 09 saw a figure of 250 above target, December 09 figure has come in at 6,465 over target which augurs well for the end of year achievement.

New members: this target struggled somewhat at the beginning of the financial year, however, following membership campaigns in Wimbledon Centre Court and at Colliers Wood Sainsbury's and Marks and Spencers centre, the figure has risen to 14,570 new member in December 09 (against a target of 13,000). The membership campaigns continue.

Supplementary

"I have seen that the roll-out of RFID technology is about to be completed. Is the Cabinet Member able to give me an indication of the level of usage of this new technology in the borough?"

Reply

"I am delighted to report that implementation of RFID is on track. West Barnes Library is going live shortly and Donald Hope in early March. Staff are putting in a most tremendous effort and they are supporting users but transactions, I am delighted to report, going through the machines are around 85%, and at a couple of sites, they are up as high as 90%. We are pioneering some of the technology in order to get the highest possible number of transactions through self-service. There are a few glitches but these are being worked on by the company. It has been and will continue to be I hope a resounding success."

2 From Councillor Stephen Alambritis to the Leader of the Council

Could the Leader give full details of all school closures during the recent bout of inclement weather. Could he explain how decisions were made to close schools and what involvement he or his Cabinet Member had in each of these decisions. Could he further explain what procedures are in place so a consistent approach to taking such decisions is evident across all Merton schools.

Response

As colleagues will understand, schools are locally managed and governed and the decision to close schools therefore rests with headteachers in consultation with chairs of governors. Weather conditions were at their worst in Merton on 6th, 7th, 8th, 13th and 14th January. The table below shows numbers of schools closed during that period:

6 th Jan	7 th Jan	8 th Jan	13 th Jan	14 th Jan
4 schools	16 schools	2 schools	1 school	1 school

closed all day; 1 school closed PM only	closed all day	closed all day	closed all day; 1 school closed PM only	closed
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The majority of closures during this period were caused by there being insufficient staff in schools due to travel disruption and on-site health and safety concerns. Council officers provided information and guidance on a daily basis and, through effective liaison between Children, Schools and Families and Environment and Regeneration Departments sought to 'troubleshoot' where possible to support schools remaining open. School staff worked flexibly in many schools to enable them to remain open.

Although comprehensive comparison with the position in other Local Authorities has not been undertaken, it is interesting to note that on 7th January in Croydon, 55 out of 99 schools closed and in Sutton, 34 out of 40 were not able to open.

Schools and officers are acutely aware of the need for schools to remain open during such difficult circumstances to support parents' need to attend work and London's broader economic wellbeing. I wrote personally to Headteachers and Chairs of Governors on 11th January to reiterate this position and to thank those which had succeeded in remaining open in the previous week (see appendix 1 to these questions). I know that the Chief Executive has asked officers in both Departments noted above to review lessons learned with schools and plan accordingly for the future.

Supplementary

"I know you will join with me in reiterating the point that every lesson counts and I thank him for writing to headteachers and chairs of governors. Will he repeat that exercise and remind headteachers and chairs of governors about the situation with regard to Ofsted and how they classify absence from schools. It may be that some headteachers had a preference to close the school completely rather than run the gauntlet of absence and truancy figures some six months later."

Reply

"It's an interesting point and one which I haven't discussed with officers. I am happy to do so and take their advice as to whether a further letter would be appropriate."

3 From Councillor Jeremy Bruce to the Cabinet Member for Community Safety and Engagement:

Can the Cabinet member give me some early indications as to how successful the latest 'Be social, be sensible, be safe' campaign by Safer Merton has been?

Response:

The analysis of this event is currently being evaluated, however early indications are that it has been as successful as the previous events, with no major incidents in the town centre. Whilst we will undertake a temporal analysis of crime over the period and compare it against recognized norms, the value of the 'safe, sensible, social' campaign is prevention and awareness raising and therefore less quantifiable.

The campaign ran from 8/12/09 to 04/01/10 and had 25 licensed premises involved in the project, Licensees are very supportive of the program and the merchandise is gratefully received. We hope that the messages on the street and through the media also proliferate to the general public and make them feel safer and reassured that we

are working on these issues.

Supplementary

“I am delighted to hear that there were no major incidents in Wimbledon, especially in the town centre, over the Christmas period, as I am sure the residents of my ward will be as well. I understand, however, that this is just part of the ongoing strategy to reduce disorder in the town centre. Could the Cabinet Member provide me with an update on Safer Merton’s other initiatives in the area.”

Reply

“There are indeed other schemes running in Wimbledon Town Centre to tackle anti-social behaviour and problems associated with late night drinking. One of those is the scheme called ‘Behave or Be Banned’ which runs across a number of licensed premises in Wimbledon. Anyone caught being anti-social or committing an offence in those premises is banned from others who participate in the scheme. The latest figures I have show that 44 people have been banned from those licensed premises in Wimbledon. The councillor may also be interested to hear that before Christmas, Merton welcomed the Clubs and Vice Unit of the Metropolitan Police to the borough, who have been developing action plans for the six premises with the most problems. Those premises will be expected to accord with those action plans otherwise it’s likely to result with a review of their licence.

4 From Councillor Stephen Alambritis to the Leader of the Council

Can the leader confirm that GOALS is not intending to take legal action against the council following the debacle over Morden Park and Playing Fields?

Response

No legal action is being taken in connection with Morden Park and the playing fields. The Council is unaware of any intended legal action.

Supplementary

“I see on our website that today’s thought, which is *“You can tell when a man is clever by his answers, you can tell whether a man is wise by his questions.”* I think the Tories are neither clever nor wise. I also note from the website that there’s a press release dated 19 January 2010, entitled ‘Borough brings retired ground back into play’. This refers to Oberon Playing Fields in Raynes Park. The press release goes on to say that there’s an intention to ensure continued use of the ground and to rent out the remaining area to a separate organisation, specifying its use for community and other purposes. Can I receive a cast iron guarantee from the Leader that this field is not going to be offered to Goals plc?”

Reply

“I think I am able to give that undertaking. I wasn’t quite sure what your supplementary was going to be about. The intent is that it is leased for educational not commercial purposes.”

5 From Councillor Marc Hanson to the Cabinet Member for Housing and Community Services:

I know from the feedback of local residents on the High Path estate that they welcome the new playspaces recently opened there by the council. Can the Cabinet member outline how much has been invested in improving the facilities for young people living in the borough’s estates through the Play Pathfinder scheme?

Response

The Play Pathfinder scheme is a capital programme with a total budget of £2,120,000. This funding has been allocated on play facilities as follows:

<u>2009/2010</u>	
Housing Estates (6 sites)	£300,000
Parks (8 sites)	£325,000
Adventure Playground (1 site)	£488,000
Total	£1,113,000
<u>2010/2011</u>	
Housing Estates (2 maximum - awaiting final agreement)	TBC (c£100,000)
Parks and Open Spaces (in consultation) (12 sites)	TBC (c£570,000)
Adventure Playground (second tranche of funding)	£337,000
Total	£1,007,000

The process for allocation of funding has been overseen by the Play Partnership Steering Group based on widespread

consultation, audits of existing provision and a review of investment in play facilities in the borough over the past 5 years.

Supplementary

“These refurbished play areas on High Path really are excellent and we’ve had very good feedback about them. But I would like to ask the Cabinet Member who is going to maintain them going forward if the Council does approve the housing stock transfer next month.”

Reply

“I would agree they are fantastic. I will actually be at Marsh Court on Friday and hopefully it will not be raining still. Housing has the responsibility for the refurbished play spaces on the housing estates. Careful consideration has been given as to how these will be managed and maintained after the housing stock transfer. I am glad to say that I can confirm that the responsibility for the maintenance of the play areas will be transferred to Merton Priory Homes. This will be as part of the stock transfer. I can also confirm that the future maintenance of these play areas is written into the stock transfer contracts.”

6 From Councillor Martin Whelton to the Cabinet Member for Finance and Regeneration

Could the Cabinet Member outline in more detail how the increase in the Council Tax Base of £0.69m was calculated. In particular, could she offer a full break down by ward as to how this figure has been reached.

Response

The calculation of the Council Tax Base uses information on the valuation list as at

14th September in the year prior to which the Council Tax base calculation relates. This information is used to complete the Government Return CTB1 which has to be returned by 5th October.

This form is completed by reference to dwellings shown on the Valuation List for the authority as at 14 September, and by reference to the number of exemptions and discounts on 5 October 2009 in respect of those dwellings.

Therefore, the number of properties within each Council Tax Band within the borough is reviewed and updated annually.

A band ratio is applied to the number of properties in each band (e.g. Band A is multiplied by six-ninths, Band D by nine-ninths (i.e. 1) and Band H by 18 ninths (i.e. 2).

The change in the council tax base, prior to adjustment for collection rate, is multiplied by the Band D council tax for 2009/10 to produce an estimate of £0.690m as the additional income arising in 2010/11 from changes in the profile and number of properties within the borough.

It is not possible to provide a full breakdown by ward of how this figure has been reached as the information is collected by property band. Council tax data is held on a borough wide basis and not by ward. It would take sometime and additional resources to be able to provide this analysis.

Supplementary

“Why did it take until January for the £690k figure to emerge, given it would have been known in October, thus omitting the first Scrutiny period? I’d also like to ask if any audit is undertaken in terms of this figure because clearly there couldn’t have been a huge rise in the number of properties in the borough over the last year. As we all know, there hasn’t been a large number of developments in the borough.”

Reply

“The paper that went to Cabinet on 14 December sought approval for the new Council Tax base, and that is a matter of routine. The data was completed in October 2009, it then required Cabinet approval as a valid document. Following that procedure the adjustment was made to the budget and corporate and technical provisions. I do share your interest in bringing forward any adjustments of that nature earlier and certainly asked if we could not make an estimate earlier in the year rather than wait for the actual data. On that basis you will note that in the Cabinet papers for 18 January 2010, estimates have been made for 2011/12 and 2012/13 for a provision of £400k increase in Council Tax due to an increase in the Council Tax base.”

7 From Councillor Ron Wilson to the Cabinet Member for Children's Services: Sixth form provision is clearly due to be introduced in four of the borough's high schools this September. Can the Cabinet member update me on how the applications for places at the new sixth forms are progressing?

Response

Following the issuing of a Merton-wide 6th forms prospectus, over 300 young people have expressed an interest in joining one of the new 6th forms. This is an encouraging response and interviews are currently taking place. Until this process has been completed, it is not possible to determine precise numbers who will begin

courses in September 2010.

Supplementary

“Can the Cabinet Member tell me how this fits with the Council’s expectations for the number of applications to our new 6th forms.”

Reply

“I think it’s fair to say that we’re very pleased with the number of applicants who expressed interest in coming to our 6th forms and I’d like to thank the schools and governors for their hard work in talking to the students. We are only allowed 100 students at RR6 and only 100 students at our Bishopsford and Raynes Park combined with Merton College. As you can see the numbers will exceed the numbers of spaces that we have and we look forward to filling those spaces in September.”

8 From Councillor Dennis Pearce to the Cabinet Member for Adult Care Services and Health

Could the Cabinet Member explain in detail why it was felt the grants process for voluntary sector organisations needed to be halted this year. Furthermore, could he explain why the suspension is still necessary given that the budget now appears to be balanced so there is no longer a pressing need for cuts in funding to the voluntary sector. Could he explain to voluntary sector organisations in the borough what they should tell their staff, many of whom are unable to continue under this level of job insecurity and are looking for jobs elsewhere. Could he explain to voluntary sector organisations how they are expected to continue offering a service in these circumstances. Will he apologise to service users for the inevitable and already clear impact on services. Finally, could he set down in stone the date when the results of the grant applications will be announced as we currently have no exact date, which is completely unacceptable, particularly as organisations have a legal requirement to issue redundancy notices to staff by a certain date.

Response

The Adult Social Care Grant Funding process for 2010/2011 was suspended at the request of the voluntary sector organisations and Compact representatives for the following reasons:

at the time, potential impact of Council efficiency programme

need to further improve grant funding process to ensure fit for purpose and sustainability of the voluntary sector services

alignment of services and outcomes to the new commissioning priorities

To enable above and agree a more robust process and to support voluntary sector business needs/operations, the voluntary sector and Compact reps also proposed that current year grant funding arrangements be extended for three months to June 2010. This was agreed. The PCT has also agreed to pool their grant funding budget with Adult Social Care and have one integrated grant funding process from 2010/2011.

A meeting was held with the voluntary sector, MVSC, including Compact reps on 15th January 2010 to discuss a way forward and timetable.

It was agreed at that meeting that MVSC would seek up to 8 sector reps to sit on the working group to help to design the new process and would draft terms of reference

to ensure wider accountability (based on approved systems already in place).

The first working group meeting to take place Tuesday 2nd February with at least one but no more than 2 further meetings prior to final consultation with the sector at an Involve meeting at the end of February on process and timetable.

Supplementary

“When I read this reply, it is stated that the grants were deferred and it was requested by the voluntary sector. I would have at least two voluntary sector members who would challenge that. Many years ago when Councillor Groves and I were backbenchers, he told me that he was in it for the residents and I told him he would get over it. And I’m afraid he has because now we’re in a situation with the voluntary sector where we have workers who are uncertain of their futures, we have volunteers who are demoralised and we have residents who we are apparently putting first who are very worried about their future and how they’re going to live if some of these voluntary sector organisations cannot look after them. So when are we going to stop this? When are we going to name a day where all these decisions will be made so the voluntary sector organisations can plan for the next year or two. When my colleague, Councillor Andrew Judge, was the Leader of the Council, we had three year funding. Now, apparently we’re going through that again. Please can we have that date, and can we have it soon.”

Reply (from the Leader)

“I’m afraid to say that I don’t have the answer to that question. I think it’s a fair one to ask because the funding arrangements have been extended by three months to the end of June and there must be a point when it is likely that determinations will be made. If Councillor Pearce will allow me to take advice on that, I will write to him and make the answer available to all members of the Council.”

9 From Councillor Margaret Brierly to the Cabinet Member for Housing and Community Services:

Can the Cabinet member tell me how Merton is progressing against its target for the percentage of responsive repairs to the council's housing stock completed within the agreed timescales?

Response

Performance against responsive repairs has shown an improving trend since the start of 2009/10, and overall performance has and continues to exceed the target level of 98%. As at end December 2009, performance year to date was 98.9%, the highest average so far this financial year. This is notable as more responsive repairs had been completed from April - December than when compared to the previous two reporting periods.

The average time taken to re-let empty properties has also shown a dramatic improvement since the start of the financial year. In April the average turnaround was 61 days. By December this was consistently under 20 days, with overall year to date performance at 27.2 days (against a target of 29 days). This represents the best performance in this area since reporting began. This improved performance has contributed towards Housing's lower amount of void stock; in previous reporting periods void stock at any one stage was consistently over 100 properties, in 2009/10 this has been consistently around 40 properties.

Supplementary

“We have quite a lot of tenants and leaseholders in our ward. Can the Cabinet Member reassure me that these results clearly demonstrate that the Council is continuing to fulfil its obligations to tenants and leaseholders running up to the housing stock transfer.”

Reply

“I will make my answer brief. I can give you a resounding yes. We will fully commit to looking after our tenants and leaseholders right up to the point of, hopefully, seamless transfer.”

10 From Councillor Martin Whelton to the Cabinet Member for Children’s Services

Could the Cabinet Member give full details of applications for Merton primary schools for September 2010, including the number of 1st, 2nd and 3rd place applications? Could she outline in detail how this compares with the situation in 2009.

Response

The table below provides figures requested:

	PA	APPLICATIONS 2009					APPLICATIONS 2010				DIFFERENCE			
		PAN	1	2	3	Total	1	2	3	Total	1	2	3	Total
Hollymount	1	60	38	50	35	123	64	66	36	166	26	16	1	43
West Wimbledon	1	60	63	31	23	117	83	24	38	145	20	-7	15	28
Bishop Gilpin	1	60	95	63	36	194	116	53	30	199	21	10	-6	5
St. Matthew's	1	30	46	21	11	78	39	38	21	98	-7	17	10	20
		210	242	165	105	512	302	181	125	608	60	16	20	96
Aragon	2	60	55	51	20	126	75	36	31	142	20	15	11	16
Hatfeild	2	60	73	67	19	159	60	73	32	165	-13	6	13	6
Hillcross	2	60	43	18	29	90	40	19	38	97	-3	1	9	7
Joseph Hood	2	60	21	11	21	53	19	9	29	57	-2	-2	8	4
Sacred Heart	2	60	55	28	15	98	51	36	12	99	-4	8	-3	1
St. John Fisher	2	60	58	25	17	100	70	34	26	130	12	9	9	30
		360	305	200	121	626	315	207	168	690	10	7	47	64
Dundonald	3	30	63	108	69	240	60	97	66	223	-3	11	-3	-17
Garfield	3	60	31	44	51	126	46	62	62	170	15	18	11	44
Merton Abbey	3	30	21	8	15	44	33	14	10	57	12	6	-5	13
Merton Park	3	30	70	61	56	187	59	81	50	190	-11	20	-6	3
Pelham	3	30	34	29	55	118	47	41	61	149	13	12	6	31
Poplar	3	60	55	56	47	158	67	46	32	145	12	10	-15	-13
Wimbledon Chase	3	90	107	99	80	286	92	103	72	267	-15	4	-8	-19
Wimbledon Park	3	60	115	36	20	171	104	33	20	157	-11	-3	0	-14
All Saints	3	30	29	12	16	57	18	15	20	53	-11	3	4	-4
Holy Trinity	3	60	51	78	35	164	60	76	45	181	9	-2	10	17
The Priory	3	60	76	57	59	192	69	70	42	181	-7	13	-17	-11

	PA	APPLICATIONS 2009					APPLICATIONS 2010				DIFFERENCE			
		PAN	1	2	3	Total	1	2	3	Total	1	2	3	Total
St. Mary's	3	30	50	28	20	98	46	28	22	96	-4	0	2	-2
		570	702	616	523	1841	701	666	502	1869	-1	50	-21	28
Abbotsbury	4	60	55	23	21	99	36	18	20	74	-19	-5	-1	-25
Malmesbury	4	60	55	23	5	83	46	13	7	66	-9	10	2	-17
Morden	4	30	29	33	21	83	25	24	14	63	-4	-9	-7	-20
St. Teresa's	4	60	48	17	17	82	65	10	6	81	17	-7	-11	-1
		210	187	96	64	347	172	65	47	284	-15	31	-17	-63
Beecholme	5	30	27	29	19	75	24	33	19	76	-3	4	0	1
Benedict	5	60	25	13	8	46	29	17	15	61	4	4	7	15
Bond	5	60	54	45	42	141	58	42	39	139	4	-3	-3	-2
Cranmer	5	60	84	55	33	172	85	54	31	170	1	-1	-2	-2
Gorrington Park	5	60	64	32	26	122	68	55	24	147	4	23	-2	25
Haslemere	5	60	62	28	17	107	63	22	16	101	1	-6	-1	-6
Liberty	5	60	62	58	29	149	63	44	26	133	1	14	-3	-16
Links	5	60	50	17	13	80	72	16	18	106	22	-1	5	26
Singlegate	5	30	40	26	19	85	55	37	15	107	15	11	-4	22
St. Marks	5	30	30	41	33	104	31	36	19	86	1	-5	-14	-18
SS Peter & Paul	5	60	58	53	12	123	61	46	17	124	3	-7	5	1
St. Thomas of Canterbury	5	90	62	20	18	100	61	28	24	113	-1	8	6	13
		660	618	417	269	1304	670	430	263	1363	52	13	-6	59
Garden	6	60	18	34	22	74	39	36	18	93	21	2	-4	19
Lonesome	6	60	35	17	20	72	58	19	24	101	23	2	4	29
The Sherwood	6	60	81	33	17	131	75	40	20	135	-6	7	3	4
Stanford	6	60	46	11	7	64	37	14	5	56	-9	3	-2	-8
William Morris	6	30	27	16	11	54	25	17	13	55	-2	1	2	1
		270	207	111	77	395	234	126	80	440	27	15	3	45
Total		2280	2261	1605	1159	5025	2394	1675	1185	5254	133	70	26	229

These figures clearly demonstrate the significant increase in demand for primary school places in Merton and are broadly in line with projections made. As indicated in recent Cabinet papers, further expansion of primary school places is necessary. This has resulted in the decision to instruct officers to identify a site for a new 2fe school in the Wimbledon area and to bring forward proposals for further expansion of existing schools. It is intended that specific proposals for school expansions for September 2011 will be presented to Cabinet shortly.

11 From Councillor Stephen Kerin to the Cabinet Member for Change Management and Performance:

Can the Cabinet member advise whether she has made a decision on the provision of refreshments at councillors' meetings?

Response

This is a subject of relevance to most members and I have been careful to consult on the best way forward. I am currently waiting for a response from the Labour Group

in order to conclude discussions. Once discussions are complete a decision will be made, which I hope will be later this week.

12 From Councillor Sheila Knight to the Leader of the Council

Further to the motion agreed at the council meeting of 25 November 2009, where it was resolved to take “renewed steps to ensure that the social model of disability is embedded into the culture of Merton and is covered in all training offered to staff, from the Chief Executive downwards, including induction and all management training”, could the Leader outline exactly what training in the social model of disability his Chief Executive and each of his Directors have undertaken since that meeting? Could he also give the dates of any planned future training on this subject to be undertaken by the aforementioned officers.

Response

The CMT are currently undertaking a disability e-learning programme, which includes the social model of disability. This programme has been designed by Grass Roots a company who are specialist trainers in disability and diversity training. In addition to the e-learning programme a trainer from the company will be attending the next CMT development day - 30 March 2010 to provide CMT with an opportunity to discuss and build on the learning from the e- learning programme.

13 From Councillor Oonagh Moulton to the Cabinet Member for Children's Services:

Can the Cabinet member give me an update on progress with regard to lobbying for additional funds for primary school places in Merton?

Response

The council continues to lobby government strongly for appropriate funds for the additional school buildings needed to accommodate the increase in demand for places being experienced in Merton. We have clearly identified how the national formula used to allocate the last round of capital funding disadvantaged LB Merton and continue to make the strongest case possible. With colleagues I am meeting the Schools Minister Vernon Coker next week where we will have a further opportunity to state our case and argue for additional resources.

14 From Councillor Richard Williams to the Cabinet Member for Environment and Leisure Services

Will the council refund the cost of grit purchased by the New Horizons centre in Pollards Hill which was required to operate the Day Care services when the council refused to provide such grit.

Response:

All Local Authorities have a duty to keep highways free from ice and snow as far as reasonably practicable and keep significant stocks of rock salt for that purpose only. That does not include access roads, footways, car parks, playgrounds etc. that are operated by other Departments. However, during the recent cold spell E&R were able to assist other Departments when help was requested but there is no record of a request for assistance being received relating to the Centre. Nevertheless it cannot be assumed that assistance will always be available in the future, particularly given the current severe salt shortage.

Support in the form of salt supplies and manual support was given to a number of

buildings particularly schools and we are working with all services to ensure that we seek to ensure that the severe weather does not significantly affect service.

15 From Councillor Richard Chellew to the Cabinet Member for Change Management and Performance:

Can the Cabinet member advise me of further progress on the council's procurement work to date?

Response

The transformation project for procurement is well underway.

The first phase, which runs to the end of March has identified several key areas for activity, based on the scale of third party spend, and opportunities for savings. These are adult social care, engaging temporary staff and consultants, our transport operation, and construction. In each of these areas there are detailed plans of activity underway.

Just to give a couple of examples: in the recruitment of temporary staff, the second largest area of third party spend in the Council, we have renegotiated the contract to deliver over a quarter of a million pounds of worth of savings, and improved our procedures for recruitment. In adult social care, we are driving down the cost of buying care, at no risk to the provision of services to vulnerable people, by looking across all our expenditure and renegotiating contracts with our bigger suppliers. In this domain, we're also working very closely with our partners in the PCT to find the economies of scale, and the ways we can increase our joint leverage in the market.

We've also been looking hard at our processing, and finding ways to reduce costs. From cutting down payments by cheque for our business suppliers, to streamlining the capital management of our impressive schools expansion programme, we have been improving our procurement procedures. Importantly we have strengthened the role of the Procurement Board so that we have clear oversight and governance of procurement activity, using a risk based approach to purchasing and contract management.

Overall, we have made significant progress on our procurement. In addition to the £388k procurement savings we have already incorporated into the budget for this financial year, we have proposed £2.7m procurement savings for next year. In phase two, when we will be aggressively addressing the major contracts which come up for renewal in the next two years, we expect to see further gains for our Merton tax-payers.

16 From Councillor Gregory Udeh to the Cabinet Member for Environment and Leisure Services

The recent snowy conditions brought a lot of misery to residents across the borough. Feedback from various communities showed that many roads were not gritted, even when the Merton Council had received repeated complaints by residents living on these roads.

In order to avoid potential injuries arising from slips and falls, many residents decided to stay put in their homes during these dangerous periods.

These severe weather conditions revealed the unpreparedness of the Council to deal effectively with emergency situations.

Can the Cabinet Member provide an update on any strategies put in place to ensure that a timely and effective response is provided by the Council, in the event of any further deterioration in weather conditions?

Response:

As you can appreciate Officers have been working extremely hard to ensure that Merton's defined footway and carriageway network are kept clear of snow and ice. Unfortunately it is not possible to treat all roads and footways in adverse weather conditions and a number of residential roads and footways have not and will not be treated.

The Council has a clear and well-defined Winter Maintenance Policy and Plan in accordance with best practise and will continue to work to this plan during times of severe weather.

It should be noted that as a result of instructions from Central Government to conserve salt supplies and to ensure that London's strategic road network is kept clear of snow and ice, The London Borough of Merton has only been treating the Primary carriageway network since Friday 8th January and will continue to do so for the foreseeable future.

17 From Councillor Gilli Lewis-Lavender to the Cabinet Member for Children's Services:

Can the Cabinet member tell me what arrangements have been put in place in Merton to ensure everything runs smoothly when the Learning and Skills Council funding for post 16 education transfers to the authority?

Response

The formal transfer of responsibility for post 16 education commissioning from the Learning and Skills Council to Local Authorities takes place in April. This follows a transitional period during which shadow arrangements have been in place to enable Local Authorities to understand the commissioning framework and procedures. During this period, officers in Merton have attended training events, have observed commissioning and monitoring meetings with providers and have held regular transitions meetings with existing LSC managers. Officers have also gained knowledge of the new national and regional structures being established to set the strategic framework and high level funding allocations for post 16 education and training. From April, two former LSC staff will join the Children, Schools and Families Department under TUPE arrangements and will undertake the commissioning and performance monitoring of Merton's 6th Forms provision.

18 From Councillor Maxi Martin to the Cabinet Member for Children's Services
According to a study last year by Stonewall, teachers reported anti-gay incidents to be even more prevalent than racist ones, with 41 per cent of gay children having been beaten up. Ninety per cent of secondary school teachers said that they had heard anti-gay taunts among pupils, and the same proportion said that they had never received any training in how to respond to it. A recent Ofsted report described homophobia in British schools as "endemic".

Could the Cabinet Member confirm what plans are in place to ensure all Merton's secondary schools show "Fit", a new government backed DVD tackling homophobic bullying in schools being delivered to every secondary school in the country, to their

students. Could she also explain how the council will use its role as the LEA to make this happen in both maintained and non-maintained second level schools in the borough.

Response

Merton has a multi-agency Anti-Bullying group that looks at tackling bullying in schools and in the wider community. This group is supported by the Anti-Bullying Alliance, a national body which promotes awareness of new developments and good practice in this field, including a focus on homophobic bullying.

Officers are aware of the recent national launch of the 'Fit' DVD and learning materials and will be evaluating the potential benefits for use in Merton's secondary schools and youth provision.

We are meeting with Secondary Schools in maintained and non-maintained sectors to evaluate their anti bullying policies and will ensure that a focus on homophobic bullying is incorporated into these discussions. We have an event planned with pastoral care leads this month which will also have a particular focus on behaviour and bullying. We can use these mechanisms and the Anti Bullying Multi-Agency group to promote 'FIT' in Merton.

19 From Councillor Rod Scott to the Cabinet Member for Environment and Leisure Services:

Can the Cabinet member list the number of successful prosecutions by the council of traders selling cigarettes or alcohol to people who are underage over the last 2 years?

Response:

JJ Stores, 395 Durnsford Road - alcohol

MJM Mini Market, 32 High Street, Colliers Wood - alcohol

Nishils Newsagent, 39 High Street, Colliers Wood - alcohol

RS Newsagents, 180 Rowan Road - cigarettes

Nisa Local, 288 London Road, Mitcham - cigarettes

Grace, 36-7 London Road, Mitcham - cigarettes

Wimbledon Park Post Office, 163 Arthur Road - alcohol

A further 3 prosecutions are ongoing related to alcohol sale

Also successful prosecutions for sales of knives (x3), spray paints (x2) and licence reviews (x3) in the same period. Over the past 4 years sales of age-restricted goods have been made on approximately 14% of test purchase attempts.

20 From Councillor Russell Makin to the Leader of the Council

Could the Leader comment on the rumour that his administration is considering re-naming the borough from Merton to Wimbledon, and if so why are they not announcing this in their manifesto?

Response:

The only time I have ever heard this rumour about renaming the borough was from Cllr Alambritis at the Annual Council Meeting in 2006. The answer is the same - there are no plans although there is a recommendation in the draft economic

development strategy to more heavily leverage the strong brand value of Wimbledon.

21 From Councillor Corinna Edge to the Cabinet Member for Change Management and Performance:

Can the Cabinet member give me a further update on the council's workforce reduction scheme?

Response

With regard to the workforce reductions programme, the position reported to Cabinet on the 18 January 2010 is set out below:

Cumulative Summary of Staffing Reductions from Rounds 1, 2 & 3

	Proposed Staff Reduction in savings proposals	Vacant post deletions	Voluntary Redundancy post deletions	Potential Compulsory redundancies
	f.t.e.s	f.t.e.s	f.t.e.s	f.t.e.s
Rounds 1 & 2 (Revised)	166	54	83	29
Round 3	42	13	18	11
Total	208	67	101	40

Note – the figures in the table above have been expressed as full time equivalents (f.t.e.s) not as individual staff.

In order to ensure that any displaced staff are given every opportunity to be considered for potential redeployment opportunities available the voluntary reduction scheme will run until 31 March 2010. By agreeing this date the intention is to minimise the number of potential compulsory redundancies.

Once the reconfiguration and redeployment processes are completed by the end of this financial year, the likely number of compulsory redundancies will be much lower. There are currently eighteen staff under notice of compulsory redundancy. These staff continue to be considered actively against possible redeployment opportunities.

Some Voluntary redundancies and early retirements have now been processed and some staff have started to leave the organisation by mutual agreement.

22 From Councillor Richard Williams to the Leader of the Council

What risk managements provisions does the council have in place to mitigate against the loss of senior staff or a group of staff due to a lottery syndicate win?

Response

The sudden loss of key personnel is a risk that could happen to any business, either through accidents and emergencies or through windfall activities, such as lottery wins.

Merton has current business continuity plans available and rehearsed to mitigate the loss of major business activities. The replacement of such key staff may be achieved through a variety of means, dependent upon which staff group is affected, including

using current staff in a flexible manner, making full use of the council's agency and formal contracting arrangements to meet the requirements of the situation, or identifying other service providers who have the capacity to assist, for example other boroughs undertaking similar activities.

Insurance is available to cover such events, however, Merton does not currently insure against such loss as in the event of loss of key staff the priority is focused on replacing those staff to ensure smooth service delivery, rather than the value of an insurance payout.

The difference in the cost of the provision of staff to cover key staff shortfall will be met from the Council's contingency or existing budgets depending upon the nature of the loss.

23 From Councillor Sheila Knight to the Cabinet Member for Housing and Community Services

I note that the council is seeking savings in relation to social services procurement by pushing down the price it pays to residential and nursing care providers.

Already, many homes charge a higher fee to self funders than to those funded by Merton Council, despite both receiving the same level of service. Could the Cabinet Member outline the effect this contract squeeze could have on self funders, in particular the danger that charges for self funders may be raised still further to compensate for falling council revenues, thus seeing self funders subsidising the council contract. Could she further comment on the expected impact this will have on the quality of care, where the axiom "you get what you pay for" will surely apply given the reduced income providers will have to pay for staff and resources.

Response

The Council has a responsibility to ensure the best use of public money in procuring services for its customers. We don't believe the measures we are taking will stop providers from providing reasonable, good quality services. The arrangement between self funders and providers is entirely a private matter between them.

24 From Councillor Maxi Martin to the Cabinet Member for Children's Services

Could the Cabinet Member confirm the number of racist incidents which took place in Merton schools in 2006/07, 2007/08 and 2008/09. Could she also list the additional resources she intends to put in place to tackle this issue.

Response

There were 136 racist incidents reported in the borough's schools for the year 2008/09.

	2006/07	2007/08	2008/09
Racist Incidents reported	24	88	136

This shows that the number of incidents being reported by schools has increased.

This figure cannot however be compared accurately with previous years as the data is now collected differently. There was an extensive consultation with schools as part of developing the new way of collecting data and the system has now been piloted successfully. Schools have indicated that they have found the new system much better and it is clear that we now have more robust and more accurate data

around this very important issue.

From the detailed discussions held with schools about these issues a rise in reporting also indicates increased awareness, better school systems and greater confidence in reporting by both pupils and schools. Officers will continue to offer a high level of challenge and support to schools and more detailed work takes place with individual schools as appropriate.

25 From Councillor Richard Williams to the Cabinet Member for Environment and Leisure Services

What monitoring does the council have in place to ensure that programmed road and footway salting and gritting is carried out as planned?

Response:

The Council keeps detailed records of its gritting operation including salt usage, spread rates and distances gritted to enable officers to monitor mechanical carriageway gritting. In addition the existing fleet is due to be fitted with GPS to further improve monitoring capabilities.

Reports from residents and Councillors on specific problems are recorded and responded to appropriately.

With regard to manual salting of footways, the manual crews have team leaders who are responsible for ensuring areas identified are gritted in accordance with instructions received from the Winter Maintenance Duty Officer. In addition Area Supervisors carry out ad-hoc checks.

The Winter Maintenance Policy and Plan will be reviewed this summer to identify improvements and build on any lessons learned in time for next years winter season.

26 From Councillor Richard Williams to the Cabinet Member for Environment and Leisure Services

What recent discussions has the council had in respect of the arrangements for and management of any green space arising from developments of the Brenley Fields site?

Response:

A formal planning application was submitted for this site on 16th October 2009. Since the application was submitted there has been one meeting between officers of the Council and prospective developers of the site specifically on the aspects of the green space at Brenley Fields. On the 16th November, members of the Council's Greenspaces and Development Control teams met with planning and landscape consultants representing the potential developer to discuss, in broad terms, the financing and over-arching operational management of the open space area. A number of alternative options were highlighted for consideration by the developer in the context of officers' concerns that the proposed Section 106 financial contributions were insufficient to assure the maintenance of the site in the longer term.

It is anticipated that the issue of both the landscaping of and future funding for the open space will be revisited at a future meeting being convened to resolve outstanding issues surrounding this development where, in particular, issues relating to the proposed dwellings are to be discussed.

Development of the site for housing with part of the site retained as open space was

considered at the time of the public inquiry into the Council's Unitary Development Plan in 2001. In essence, partial development was accepted on the basis that the development was able to secure sports improvements that would benefit the wider community in the locality.

The issue of off-site sports benefits to mitigate for the impact of the loss of the former sports fields has been the subject of discussion between Council officers and the GLA. The Council's adopted planning brief for the site adopted by the Council in November 2003, seeks financial contributions towards the provision of additional playing pitches and ancillary improvements at the Westminster City Sports Ground. This rather prescriptive approach in terms of where the improvements should go is being revisited by Council officers in order to address questions that have been raised by both the GLA and Sport England as to the nature and location of any off site sports improvements.

27 From Councillor Richard Williams to the Cabinet Member for Housing and Community Services

For how many properties in Pollards Hill is the council still party to a deed requiring the council to provide estate services?

Response

As Cllr Richard Williams may be aware, the council transferred its homes on the Pollards Hill estate to Moat Housing around 10 years ago. The council is, therefore, no longer responsible for providing services, including estate services, to these homes. This is the responsibility of Moat. The council still has 19 street (e.g. non-estate) properties in the Pollards Hill ward and these will transfer to Merton Priory Homes in March, along with the remainder of the housing stock.

28 From Councillor Richard Williams to the Cabinet Member for Environment and Leisure Services

By what date does the council anticipate completing all remedial work on road surfaces necessitated by the recent severe weather?

Response:

Environment and Regeneration officers will continue to carry out routine street inspections and are initiating remedial work to defects found during the course of their daily activities. In addition, they are responding to enquiries from the public concerning potholes and those are also being inspected and repaired. It is not possible to provide a date by which the work will be completed as the continuing winter weather and the "freeze-thaw" process will create further defects of this nature in the coming weeks. All defects that are considered dangerous will be acted upon in the usual prompt manner.

29 From Councillor Peter McCabe to the Leader of the Council

Will the Leader give a full and public apology to the Roman Catholic community of Merton following his offensive comments made at the Cabinet Meeting of 14 December 2009?

Response

On the advice of the Monitoring Officer, I decline to answer this question.

30 From Councillor Geraldine Stanford to the Deputy leader and Cabinet Member for Change Management and Performance

Elm Nursery Car Park in Mitcham has now been blocked off/closed for eight months. This is causing concern to nearby businesses who have no parking facilities because of the main road and bus lanes, and visitors to Sir Arthur Bliss sheltered housing opposite have difficulty parking. The recycling bins in the car park are difficult to access and it is also the only overnight lorry park in the area.

Originally, the intention was to deter travellers from moving on to the site, but when I last enquired in December, I was told this was still the reason the car park remained closed.

A couple of years ago, you tried to sell off the site for development, until you discovered that the land belonged to Housing as part of the Elm Nursery Estate, and you had to withdraw the property from the auction. I cannot believe that the reason the car park is still closed is because of the "threat of travellers" and would be grateful if you could tell me your true intentions for the future of the site.

Response:

The site has previously been declared surplus to Council requirements on 24th October 2007 following low usage of the car park. The intention continues to be to sell on the open market following consultation with ward councillors when the market improves. It was this wish to respond to ward councillors that caused the previous sale to be delayed. It is not the case that the site was Housing land, although Housing land does adjoin the site. Occupation by travellers remains a risk which is reduced by the barrier to the car park.

Agenda Item 6 – Strategic Objective Questions

- 31 From Councillor Stephen Kerin to the Cabinet Member for Environment and Leisure Services:

Following the recent article in The Times on this issue and the publication of the report from the Select Committee on Environment, Food and Rural Affairs, can the Cabinet member outline how successful Merton's food waste collection scheme has been since it was rolled out to a further 8,000 households in the borough?

Response

I am pleased to be able to announce that so far this year we have collected nearly 350 tonnes via our food waste collection. This means fewer climate changing gases being emitted into the atmosphere from landfill and more taxpayers' money being reinvested in providing recycling and composting services.

We wish to thank all the residents in the total of 10,000 households included in the service since last September, who are now regularly participating in the weekly collection of around 15 tonnes of food waste and where we will be rolling out to a further 30,000 households between June and September.

A recent survey showed well over 90% satisfaction with the service.

Supplementary

"The new kitchen waste collection scheme is clearly both successful and popular. Can the Cabinet Member tell me when we might be planning to roll it out to even more households in Merton."

Reply

"I'm delighted to inform the councillor that we will be rolling the kitchen waste collection out to a further 30,000 households this June, or at least between June and September this year."

- 32 From Councillor Edith Macauley to the Cabinet Member for Regeneration and Finance

Could the Cabinet Member outline what continuing budget and council support including staff time, minute taking, and funding for initiatives that cover areas that do not include MPH properties, will remain in place to support the Lavender Multi Agency Group (MAG) after the transfer of the council's neighbourhood renewal staff to MPH in March of this year.

Response

The Lavender MAG was set up to facilitate the development and delivery of the neighbourhood action plan. Although the ultimate aim of this group is for it to be self-sustaining, to date it has been supported by Neighbourhood Renewal Staff. The expectation is that MPH will take-over the supporting role but will continue to work with Lavender MAG to build its capacity to become self-sustaining. Through a budget allocated by the MPH Community Fund, neighbourhood plan activities will continue to be implemented. In addition the Lavender MAG will be able to apply for funding from MPH to deliver regeneration activities. In addition there is the opportunity to build the capacity of local groups such as the Lavender Residents and

Tenants Association.

Supplementary

“Can the Cabinet Member explain to the residents association, as the chair was not very happy because he feels that no consultation was done, and therefore can she assure us tonight that a letter will be sent to the chair of the Lavender Residents and Tenants Association informing them of the Council’s intentions.”

Reply

“I do understand your concerns and I have to say that I recognise the tremendous work you have done as Chair of the Lavender MAG. I have to say that Lavender, along with Abbey and Phipps Bridge are the three most active multi-agency groups. Multi-agency groups are one component of the overall neighbourhood renewal strategy which will be taken over by Merton Priory Homes and it is logical that they do so. It is focused on the area’s deprivation, there is a very high correlation not only in Merton, but nationally, between housing tenure and deprivation and their commitment to it is very ambitious. In terms of resources they will be committing significant resources beyond those that the Council currently commits and they have expertise, commitment, drive and a responsibility as Merton’s largest landlord to make sure it happens. I do understand that there are other social landlords, particularly in Lavender, and Pollards Hill is another obvious example where there are active RSLs in the ward. Their role will be a co-ordination and oversight role. They will report to the Strategic Partnership and the Council will have representation on the Merton Priory Homes board of directors, together with the residents they will actually control the board and that’s another opportunity for councillors to ensure that their expectations are delivered.”

33 From Councillor Brian Lewis-Lavender to the Cabinet Member for Environment and Leisure Services:

Can the Cabinet member give figures for the tonnage of leaves collected this year from the borough's streets?

Response

Our thanks go to our Street Cleaners who worked hard to collect 206 tonnes of leaves for composting from the 16,000 trees on Merton’s streets last autumn.

Supplementary

“What exactly happens to the 206 tonnes of leaves collected?”

Reply

“They go straight back into the land as compost.”

34 From Councillor Gregory Udeh to the Cabinet Member for Housing and Community Services

The Central Government’s initiative, ‘Building Britain’s Future’, aims to implement affordable and sustainable housing for our citizens. In pursuit of this objective, the Government will spend around £8.4 billion over the next two years in order to deliver

155,000 affordable, energy-efficient homes; as well as providing jobs in the construction and allied industries.

Can the Cabinet Member brief us on what the Council is doing to ensure a successful regeneration of existing social housing; and how it plans to use the empty properties in the borough to help fill the affordable housing gap?

Response

Building Britain's Future brief contains a series of pledges across different sectors. The Housing Pledge and the associated funding seeks to help mitigate the effects the market downturn on the housebuilding industry, and maintain momentum in the supply of new homes.

The government's indicative funding for new build affordable housing in Merton is £37.4m over the next 2 years. We anticipate that 445 new affordable homes would be delivered in partnership with Registered Social Landlords and private house builders via this funding programme.

Newly constructed homes would be delivered to the Code for Sustainable Homes. Under this Code, a new home's sustainability would be measured against nine categories of sustainable design including reducing energy consumption and carbon dioxide emissions through use of new technologies; consideration of health and well being within communities and household management and steps implemented to minimise ecological impact.

In addition to the above, we are working with the Homes and Communities Agency, the single integrated housing and regeneration agency for England to help mitigate the effects of the market downturn. Our actions have included:

- Support for funding from the HCA to private developers to help kickstart stalled housing schemes in the borough e.g. Former Merton Sixth Form College
- Support for funding for the Homebuy Direct initiative to help first time buyers into home ownership, significantly helping to remove the need for increasing large deposits.

In terms of the council's social housing stock, we are ensuring that properties will be fully modernised. MPH will invest £129m in the improvement of the stock in the first 10 years and £383m over 30 years. In addition, the RSL would deliver a number of community regeneration initiatives during the period.

Regarding bringing empty properties in the borough to use for affordable housing, the sub-regional Greater London Authority (GLA) Grants are being used to fund this initiative. Grants of up to £22k for one and two bed properties and £27k for larger properties are being made in return for those homes being made available to the council for up to three years. The homes would be used to house families and individuals from the housing waiting list. Properties are renovated to a Decent Homes plus standard incorporating energy-saving and water-saving measures where appropriate.

Using GLA resources, Merton's Environmental Health Team have recently appointed a part-time Empty Property Officer to assess every vacant home in Merton as part of the Mayor of London's pan London Empty Property Audit. Results from this survey

will help identify those homes which have been vacant for more than 12 months and inform decisions regarding future actions to return them to residential use. These future actions include the offer of Empty Property Grants as well as enforcement actions such as Empty Dwelling Management Orders, Enforced Sales and even Compulsory Purchase Orders.

35 From Councillor Jeremy Bruce to the Cabinet Member for Planning and Traffic Management:

Can the Cabinet member outline how the council's efforts to improve road safety in Merton are being assisted by the rolling out of 20's Plenty schemes in many of the borough's residential streets over the last couple of years, particularly in light of recent findings from the London School of Hygiene and Tropical Medicine on the impact of 20mph limits on the capital's accident rates?

Response:

The Council has a firm commitment to reducing traffic speeds through its 20's Plenty Programme. There is clear evidence that lower traffic speeds lead to reducing collision risks and the severity of collisions. Research show that on urban roads with low average traffic speeds a 1mph reduction in average speed can reduce the collision frequency by about 6%. At lower speeds collisions are less likely to be fatal

Lower traffic speed will also encourage more people to walk, cycle and adopt a healthier lifestyle. Merton's 20's Plenty programme aim to achieve a change in driver behavior and encourage drivers, particularly the young, to drive more responsibly and adapt their speed to the conditions in an urban environment.

The Council has introduced fifteen 20mph Speed Schemes in 2008/9 and a further 6 are being introduced in 2009/10. Funding is available from Transport for London to consider additional schemes in 2010/11. The schemes closely monitored to assess their effectiveness. Speed surveys are undertaken prior to implementation and again a year after implementation to assess their performance. Accident records will be reviewed three years after implementation as part of the monitoring and assessment process.

Supplementary

"I think everyone will find it very useful to see these figures. Can the Cabinet Member reassure me and us that road safety continues to be at the top of both the Council and the area Police's agenda."

Reply

"It's clearly an issue which is very important to this Council, it's about people's lives and people's safety. It absolutely remains a top priority and we shall ensure it remains at the top of the priorities of those people who work with us. I am delighted that the Metropolitan Police have recognised that speeding should be one of their priorities and it will be for forthcoming years. That enables us to be able to put it on the agenda for our local Safer Neighbourhood Teams. Furthermore, I am delighted to confirm that, although the capital programme is not yet confirmed, in the draft programme we are proposing to spend a total of over £80,000 over the next three

years in order to provide machinery which will allow Police of this borough to enforce the limit to ensure that residents can live safely inside and outside their homes.”

36 From Councillor Edith Macauley to the Leader of the Council

Could the Leader of the Council comment on the condition of side roads and footpaths in the borough during the recent snow falls. Almost all constituents in my ward that I spoken to over the period were dissatisfied that no gritting was done in their (side) roads and they complained that their roads were like an ice skating arenas. A lot of the older people told me that they had stayed in their houses for days as they were frightened to come out. It seems very strange that Merton Council can afford to supply Westminster Council with grit, yet they cannot grit side roads and footpaths in the borough where residents pay their council tax in expectation of such a service.

Response – the Leader has nominated the Cabinet Member for Environment and Leisure Services to respond to this question

Side roads that were untreated would be described as hazardous and the advice to residents and visitors using these roads is to exercise extreme caution. The inconvenience caused as a result of the severe weather is noted and I sympathise with residents that were unable to venture out.

As a result of the current resources available, it is not possible to treat all roads and footways in the borough during severe weather, to do so would have a very significant resource implication in terms of gritting vehicles, drivers and operatives and salt supplies and storage.

With regard to mutual aid provided to other London Boroughs, it should be noted that London is working together to ensure the Capital’s key roads and footways are kept clear of snow and ice during the recent cold spell and for the rest of the winter season.

Supplementary

“Can I have an assurance from the Leader today that in future most of the roads, especially in Mitcham and Lower Morden, which were like ice skating rinks, will be gritted.”

Reply from the Cabinet Member for Environment and Leisure Services

“We will continue to review our Winter gritting programme. I make no guarantees other than the fact that the primary roads and the major secondary roads that we have to clear will continue to be cleared.”

37 From Councillor Corinna Edge to the Cabinet Member for Environment and Leisure Services:

Can the Cabinet member tell me when the new town centre pedestrian signage is due to be rolled out?

Response

The pedestrian wayfinding signage scheme is a borough wide scheme that focuses on the five main urban areas of Mitcham, Colliers Wood, Morden, Raynes Park and Wimbledon. Work on installing the Mitcham signs began on 19th January and is due to be completed by 3rd February. The installation of the Colliers Wood signs will

commence on 4th February and should take approximately 2 weeks to complete.

The Morden phase of the scheme has been sent to the Signage Manufacturers with a view to installation taking place in early April.

The Wimbledon and Raynes Park schemes are currently being produced by Transport Planning Officers. Public meetings will be held to present both schemes in March, followed by a short consultation period. Implementation of the Wimbledon scheme is scheduled to commence in mid May with a view to having all signs installed before the tennis championships which begin on 21st June.

Transport Planning Team is working with Physical Regeneration and Highways Teams on the Raynes Park Enhancement Plan. No specific timescales are established for implementation yet, however, Wimbledon and Raynes Park will be delivered together. Therefore installation of the Raynes Park signs is likely to commence in early July.

Supplementary

“Can the Cabinet Member tell me whether it is intended that future pedestrian signage rolled out in the borough will be similar to the new signs going up in Merton’s town centres.”

Reply

“I can confirm that will be the case.”

38 From Councillor Russell Makin to the Cabinet Member for Environment and Leisure Services

Could the Cabinet Member outline what he intends to do to both assess the state of the borough’s roads and undertake any subsequent repairs required as a result of potholes and other damage caused by the recent snow and ice.

Response:

The Council will continue to undertake it’s annual condition survey of every road in the borough to establish the percentage defectiveness of the Council’s carriageway network. The Council will use these results and other relevant data to formulate it future carriageway resurfacing programmes. In addition Environment and Regeneration officers will continue to carry out routine street inspections and are initiating remedial work to defects found during the course of their daily activities. In addition they are responding to enquiries from the public who report potholes and those are also being inspected and repaired. It is not possible to provide a date by which the work will be completed as the continuing Winter weather and the “freeze-thaw” process will create further defects of this nature in the coming weeks. All defects that are considered dangerous will be acted upon in the usual prompt manner.

39 From Councillor Barbara Mansfield to the Cabinet Member for Environment and Leisure Services:

I was pleased to see the new dual litter and recycling bins recently installed by the council in Mitcham town centre. Can the Cabinet member outline how these new bins are helping to further clean up the face of Mitcham and improve the street scene

for residents and visitors alike?

Response:

The new dual litter and recycling bins in Mitcham town centre have been well received, enabling everyone the chance to recycle on the move items such as newspapers, drinks cans, bottles and cartons.

Mitcham was the first area in Merton to receive these new dual litter and recycling bins as part of the council's £2million street scene improvement programme.

By providing these new bins, the council expects to see a significant drop in waste collected from Merton's streets ending up in landfill. This new service is helping the borough exceed a 33% recycling rate by the end of 2010.

The less we have to send to landfill means more taxpayers' money being reinvested in providing waste and recycling services. The images of recyclable materials and landfill on the bins should make people think about where their rubbish goes, dispose of it appropriately, and encourage them to not only recycle on the move, but recycle at home and in the office too.

These bins form part of a package of initiatives to improve the street scene for Merton residents and visitors.

40 From Councillor Richard Williams to the Cabinet Member for Environment and Leisure Services

What monitoring does the council have in place to ensure that programmed street cleaning is carried out as planned?

Response:

Scheduled and random daily monitoring is undertaken by a team now comprising seven supervisors and Patch officers. In addition there are now ten team leaders directly supervising the ten residential sweeping teams. There is also ad hoc monitoring by the Street Cleansing and Waste Operations Managers.

Merton Street Cleansing staff have daily work sheets to identify any areas not completed, so remedial management action can be taken. Our team of five Enforcement and Inspection Officers also undertake random monitoring daily in relation to standards of cleanliness and feed this directly back to the Street Cleansing Management.

Now that Merton is clear of snow, the Street Cleansing teams are once again working hard on clearing litter and detritus from the streets.

Supplementary

"Would the Cabinet Member be able to tell me the last time that Carisbrooke Road in Pollards Hill received such an inspection, given that it doesn't seem to be inspected very often?"

Reply

"I'm not in a position to answer that question directly and I wouldn't expect to be able to at this meeting, but I will find out and I'm sure it is quite regular."

41 From Councillor David Dean to the Cabinet Member for Environment and

Leisure Services:g

People dropping litter and cigarette butts is a problem identified by residents, particularly in our town centres. What is the council doing both to educate people about the penalties that can result from littering our streets and to follow this up with tough enforcement action against the minority of people who persist in spoiling our local environment in this way?

Response:

The council has carried out three Action in Merton two-day events working with the Police in Mitcham and Morden town centres and Green Lane, Morden, over the last year targeting anti-social behaviour. Five similar events are planned for 2010, targeting public awareness and street cleanliness.

In addition, following a successful additional targeted action in Morden town centre last autumn, 15 enforcement activities are so far diarised with the Police for Wimbledon, Mitcham, Morden, Raynes Park and Colliers Wood town centres to catch and deter littering during the February-May period.

To date for 2009/10 council enforcement officers have issued 59 fixed penalty notices for littering offences.

42 From Councillor Richard Williams to the Cabinet Member for Environment and Leisure Services

What ability does the council have to enforce against itself in respect of A) littering and B) fly-tipping?

Response:

The Council cannot take legal enforcement action against itself.

The council has legal powers to enforce against littering and fly tipping. 59 Fixed Penalty Notices for litter have so far been made in 2009/10 and there have been 27 successful prosecutions and formal cautions for fly tipping.

Supplementary

“Many councillors will be aware of the regular sight of green bags lying in their streets and town centres which, upon closer inspection, turn out to be stamped Merton Street Cleaning Services and will often sit for weeks on end on the pavement. Does the Cabinet Member believe this is acceptable, and given that Merton Council cannot take action against itself, will he take suitable action to make sure this does not happen in future?”

Reply

“These green bags are part of the commercial waste. We do deal with them and will try to enforce them even better than we do now.”

43 From Councillor Simon Withey to the Cabinet Member for Environment and Leisure Services:

We were all affected to some extent by the heavy snowfall earlier this month and before Christmas. However, I was impressed by how Merton largely kept moving despite these difficult conditions and would pay tribute to all the council's gritters, carers, social workers and refuse collectors among others who worked so hard at

this time. Can the Cabinet member tell me how much grit the council has spread on our roads and pavements this winter?

Response:

To date the Council has used approximately 1,765 tonnes of salt during this years winter season. The crews have received many compliments for the hard work undertaken and the positive impact they had in keeping roads and pavements open.

44 From Councillor Russell Makin to the Cabinet Member for Finance and Regeneration

Could the Cabinet Member update us on the redevelopment (or lack of redevelopment) of Mitcham and Morden Town Centres.

Response

Mitcham

The council has invested heavily in the public realm in Mitcham including the Market Square, St Marks Road enhancements and the Laburnum Homezone. Ongoing investment in the town centre will deliver new signage and further de-cluttering.

A bid for £650,000 (years 2010/11 and 2011/12) has first year approval from TfL as part of the LIP (corridor schemes) for work on the street scene, including modifications to the pedestrian crossing facilities, reducing severance and street clutter. Additional capital to support this work is included in Merton's draft capital budget.

Although major redevelopment of Mitcham Town Centre has been affected by the recession, since the cabinet decision in March 2008 to encourage development of individual sites, private sector investment has been delivered in a number of sites including the Morrisons and Lidl food stores. There has also been a positive small residential development in the town centre itself, which is welcomed.

The council's strategy for Mitcham is at least in part to focus on delivery of good quality housing on the peripheral development sites (Rowan, Brenley, Roan, Windmill, Seagas). despite delays relating to the recession, they are all progressing following negotiation between land owners, developers and council officers.

A Cabinet Report is expected in March 2010 providing a fuller update on activities in Mitcham. Officers are also in discussion with the HCA, through the single conversation to attract investment towards regeneration in Mitcham.

Morden:

In November 2009 a Councillors' Bulletin was issued providing an update on the moreMorden consultation results and establishing the strategic vision for Morden. This is available to view at www.merton.gov.uk/moreMorden

Since then, Officers have been in discussion with the LDA, HCA and TfL to secure interest and commitment to redeveloping Morden. There is significant interest from all parties and we have been advised that 2010 funding streams are geared towards suburban town centre renewal in places like Morden.

Officers are working to commission a masterplan to guide the redevelopment of

Morden and test market viability given the changes in the property markets. The masterplan will be developed in summer 2010 for adoption as planning policy alongside the LDF Core Strategy in early 2011.

Once consultants are appointed, it is proposed that a Member/local Councillor workshop is set up Mid-March 2010 to reaffirm the vision for Morden prior to proceeding with community engagement on masterplan options (scheduled for summer 2010).

Although TfL has to date not agreed the area based scheme bid to address the gyratory removal and associated changes to the street layout, capital to continue this work is included in Merton's draft capital budget. The verbal feedback on our recent LIP submission suggested that a scheme to remove the gyratory could proceed, but only as part of a wider regeneration project. In the meantime Merton has produced a first draft Transport Strategy (to be updated to take account of draft MTS) and continues to lobby London Buses as services come up for renewal to extend terminating services from Morden to free up the forecourt area in front of the station.

TfL have provided an agreement in principle to adding their land assets towards regeneration plans with the council – subject to further detailed options. Sainsburys have signed a further 20 year lease and are committed to retaining a store in Morden. There are pre-application enquiries for new housing developments coming forward in preparation for the return of the housing market.

The Council has also established an Infrastructure and Investment Board that brings together key players to ensure that the borough gets the physical infrastructure that it requires for the future. This board includes senior representatives from the Council, Transport for London, the Homes and Communities Agency, Merton Priory Homes, the Metropolitan Police, the Primary Care Trust as well as representatives from the voluntary sector. The board will monitor and co-ordinate the delivery of major schemes and projects to support property development, particularly housing within the borough, as well as additional schools, transport facilities, utility networks, emergency services, community safety provision, community facilities and also look at co-location opportunities for the delivery of services.

45 From Councillor Denise March to the Cabinet Member for Environment and Leisure Services:

How many street trees are being planted this spring in Merton, including those being delivered as part of the Mayor of London's street tree programme?

Response:

The Council will be planting approximately 400 new street trees including those secured through the Mayor of London's street tree programme between now and the end of March 2010

46 From Councillor Richard Williams to the Cabinet Member for Environment and Leisure Services

How many waste patch managers did the council have in A) 2006 B) 2007 C) 2008 D) 2009 and at present?

Response

For all three periods A-D requested the Council has had four Patch Officers.

47 From Councillor Jonathan Warne to the Cabinet Member for Environment and Leisure Services:

Although the process was clearly hindered somewhat by the heavy snowfall earlier this month, can the Cabinet member tell me the number of Christmas trees it is anticipated the council has collected this year?

Response

Our thanks go to all residents that have participated in this annual collection event, the start of which was delayed by the severe weather this year.

So far we have collected from residents properties for composting 44 tonnes of Christmas trees, which equates to some 7,350 individual trees.

48 From Councillor Edith Macauley to the Leader of the Council

As part of the Housing Stock Transfer I understand that the council's Neighbourhood Renewal activities and associated staff will be transferred to Merton Priory Homes. In Lavender ward we have relatively low levels of council housing stock to be transferred to MPH and I am concerned that the regeneration of the ward will be reduced to a focus on MPH properties, ignoring the deep levels of deprivation experienced by residents of both other housing association properties and, in particular, private sector rented accommodation. Can the Leader explain how the regeneration needs of the whole ward will continue to be addressed under MPH. Can he further outline what ongoing responsibilities the council will retain in relation to neighbourhood renewal. Can he give us a commitment that the council continues to prioritise bridging the gap between the east and west of the borough and can he outline in detail the council's strategic and delivery roles in this regard, and any associated council budget?

Response – the Leader has nominated the Cabinet Member for Finance and Regeneration to respond to this question

Merton Priory Homes (MPH) is committed to enhancing the life chances of residents and has promised a £1million community fund as part of the transfer to support the delivery of a community & economic development strategy. The focus of the strategy is where there is the highest number of MPH property and a priority area in terms of multiple deprivation. MPH Resident profile has identified Lavender Fields as one of the key areas. The focus of the Lavender Fields Neighbourhood Action Plan is the super output area and not the whole ward, however it is envisaged that any action would benefit the wider area. In addition it is envisaged that MPH will deliver regeneration activities in the east of the borough such as employment and training projects and take forward the proposed credit union which will also benefit wards where there are few MPH properties. MPH will lead on the delivery of the current Neighbourhood Renewal Strategy (2008-2011) which is facilitated by key agencies and departments across the council. The strategy will be monitored corporately via the council's dashboard. Thereafter a new 3 year action plan will developed in agreement with Merton Partnership. The progress of the NRS action plan will be

reported annually to the Sustainable Communities & Transport Partnership.

49 From Councillor Andrew Judge to the Cabinet Member for Environment and Leisure Services

Could the Cabinet Member identify what, if any, additional resources he has identified in order to ensure that we meet the 10:10 Challenge on reducing our carbon emissions by 10% in 2010 which this council signed up to and which represents a significant increase on our Business Plan targets.

Response:

The council has identified two sources of external funding that will be used to ensure our successful participation in 10:10: a £400k, zero interest energy efficiency loan from the government funded Salix finance scheme and a further £330k from the LDA which is intended to form a rolling loan fund that will be available for further projects throughout the council's buildings once the initial 10:10 projects start to payback. The resultant projects are designed to pay for themselves in 5 years or less through reduced energy bills.

50 From Councillor Edith Macauley to the Cabinet Member for Regeneration and Finance

Can the Cabinet Member outline what, and how much, budget is being transferred to Merton Priory Homes to continue Neighbourhood Renewal activities for the proposed credit union and for the neighbourhood action plans?

Response

Whilst details of the financial arrangements remain under negotiation between Merton Council and Merton Priory Homes and are subject to confidentiality, it is currently expected that neighbourhood renewal activities and the Credit Union will be delivered through the transfer of two staff to Merton Priory Homes, the Merton Priory Homes Community Fund and an additional significant annual sum, the allocation of which the council will be able to influence.

51 From Councillor Andrew Judge to the Cabinet Member for Housing and Community Services

Could the Cabinet Member list all affordable housing schemes completed since May 2006, the associated number of affordable units relating to each, and the proportion of the total size of the scheme that this equates to. Could she also list all affordable housing schemes currently in the pipeline (both pre and post planning application stage), the associated number of affordable units relating to each, the proportion of the total size of the scheme that this equates to, and the progress to date on the proposed development including pre-application discussions, planning sought, planning granted, building work commenced, etc.

Response

Merton's adopted Unitary Development Plan policy on affordable housing was superseded by the London Plan in 2007. The LP seeks a provision of at least 50% affordable housing on site of 10 dwellings or more. If a lower percentage than this was to be proposed by the applicant, the council would require a robust justification

based on the GLA toolkit Assessment. The assessment is independently verified by an assessor. Attached are a list of affordable housing schemes completed since May 2006 and pipeline schemes with affordable housing potential.

It is important to note that the economic downturn has had a significant impact on the housing sector in terms of both the ability to build and to purchase land and property.

52 From Councillor Dennis Pearce to the Cabinet Member for Environment and Leisure Services

Now that it has been some time since the consultation on Morden Park was accepted by the Cabinet, has he any plans to contact any of the organisations from the past who have shown interest in supplying not for profit facilities in the park? How long is he going to leave it before he takes the initiative on this?

Response:

At the Cabinet meeting last November Members will recall that an implementation plan to deliver the findings of the Morden Park Vision was agreed. The first stage of this considered relatively easy to deliver as most funding was in place or could be accessed with the 1 to 2 year timetable included exploring alternatives to commercial developments that are consistent with the desires expressed in the report. Members will also know that this item was one of a list of things to be progressed and I am pleased to report that the Green Gym is currently being installed, the teenage play area is installed and operating and works to formalise entrances has begun. Work to explore alternatives to commercial development will therefore begin in the Autumn.

53 From Councillor Richard Williams to the Cabinet Member for Environment and Leisure Services

What recent discussions has the council had regarding extending its dog control powers to Mitcham Common?

Response:

I understand that there have been recent concerns brought to our attention regarding single dog walkers walking a large numbers of dogs on Mitcham Common. Officers are examining legal options in the light of these concerns.

54 From Councillor Agatha Akyigyina to the Cabinet Member for Planning and Traffic Management

Can the Cabinet member tell me what plans she has in trying to stop or curtail the issue of residents turning their shed or garages into rooms or flats for let without permission and without a care for their neighbours.

Response:

Planning permission is required to turn a shed or garage into a room or flat and it is then let for separate residential purposes. The Planning Enforcement Team will investigate any such complaints they receive and action will be taken if there is a breach of planning control and the amenity of neighbours harmed. In addition, if it is apparent that the accommodation is sub-standard then the matter will also be passed to other sections such as Environmental Health and Building Control and a

coordinated enforcement strategy devised to rectify any breach.

55 From Councillor Agatha Akyigyina to the Cabinet Member for Finance and Regeneration

Can the cabinet member tell me she is doing to help avoid having too many of one particular shop in an area?

Response:

There are planning policies contained within the adopted Unitary Development Plan 2003 and the emerging Draft Core Strategy 2009 that are designed to ensure that a broad spectrum of uses are provided within shopping frontages. These policies are tailored for each of the town and local centres. There is no policy restriction or control over the particular type of shop, provided they are within a lawful retail Class A1 Use Class. For example, if there are two newsagents in one shopping frontage, there would be no restriction on a third opening in competition, provided it was located in an existing retail unit (Class A1 unit) or had successfully obtained planning permission for that particular use.

Committee: Council

Date: 3 March 2010

Agenda item: 4
Wards: All
Subject: Budget 2010/11, Medium Term Financial Strategy 2010-2013
Capital Programme 2009-13 and Capital Strategy 2010-13

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Diane Neil Mills, Cabinet Member for Finance and
Regeneration

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: Andy Wood

Recommendations:

1. That the Council agrees:
 - the General Fund Budget;
 - the Council Tax Strategy for 2010/11, being a decrease in 2010/11 of 1.4% for the local element (equating to a Band D Council Tax of £1,103.10);
 - the Medium Term Financial Strategy (MTFS) for 2010-2013;
 - the Capital Investment Programme;
 - the Capital Strategy (Appendix 15);
 - the Treasury Management Strategy (Appendix 16), 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 22nd February 2010, Cabinet, in light of the positive assurance statement given by the Director of Corporate Services, considered and agreed to recommend to Council:-

- the proposals for setting a balanced budget and Council Tax for 2010/11
- the Council Tax Strategy for 2010/11
- the Medium Term Financial Strategy (MTFS) for 2010-2013;
- the Capital Investment Programme;
- the Capital Strategy (Appendix 15); and
- the Treasury Management Strategy (Appendix 16), incorporating the Prudential Indicators.

2. Introduction

2.1 This report summarises the work that has been undertaken since April 2009 towards formulating the Business Plan and Budget for 2010/11. 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. A separate section is provided for Schools budgets. The HRA, and in particular the stock transfer, is considered elsewhere on this agenda.

2.2 The report also sets out the draft Capital Programme 2009-2013. It details the work that has been undertaken to produce a programme that is aligned with business planning requirements and also integrated with the revenue budget.

2.3 Finally, the Medium Term Financial Strategy (MTFS) is updated to reflect the Council's anticipated financial outlook over the period 2010-2013.

2.4 The Cabinet considered the various responses from scrutiny bodies to the draft budget proposals. Initial proposals in relation to the budget were considered by Cabinet on 12th October 2009, with additional proposals being considered by Cabinet on 14th December 2009 and on 18th January 2010. The proposals considered on 12th October 2009 were subject to scrutiny by the Scrutiny Panels and Commission during October 2009 and November 2009. The Overview and Scrutiny Commission and Panels considered all of the budget proposals during the February 2010 cycle of meetings and feedback from this scrutiny process is provided in Appendix 2(i) with the Cabinet response in Appendix 2(ii) .

- 2.5 At this meeting, Members are presented with reports that provide a comprehensive presentation of all issues relevant to the formulation of the Council's medium term financial strategy for the period 2010-2013.
- 2.6 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.
- 2.7 The Council's budget for 2010/11 and Medium Term Financial Strategy for 2010-2013 consists of a number of key elements and the report is structured into four sections for ease of reference :-
- Section 1: The General Fund Revenue Budget and Council Tax strategy;
 - Section 2: Schools budgets – funded by Dedicated Schools Grant (DSG)
 - Section 3: The Capital Programme and the Capital Strategy;
 - Section 4: The MTFS, the overarching strategy, which brings together individual elements of the budget and reviews the strategic aims and key issues and assumptions.
- 2.8 There is also a separate report on the agenda in respect of the Housing Revenue Account and the budget implications of the stock transfer, although reference is made where applicable within this report.

2.9 The Scrutiny Function

- 2.9.1 During the February 2010 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:-

Children and Young People Overview & Scrutiny Panel	2 February 2010
Corporate Capacity Overview & Scrutiny Panel	4 February 2010
Healthier Communities & Older People Overview & Scrutiny Panel	9 February 2010
Sustainable Communities Overview & Scrutiny Panel	10 February 2010
Overview and Scrutiny Commission	11 February 2010

- 2.10 Feedback from Scrutiny Process
The references and comments from the Overview and Scrutiny Panels are summarised in Appendix 2(i). Appendix 2(ii) contains the outcomes and comments of the Overview and Scrutiny Commission and responses to the issues raised.

- 2.7 This report incorporates the outcome of the final Local Government Finance Settlement. Appendix 1 provides the Council Tax resolutions.
- 2.8 The meeting of the Council, to set the Council Tax and General Fund budget (revenue and capital) for 2010/11, and MTFS will be on 3rd March 2010.
- 2.9 Delivery of the budget and service plans will be monitored throughout the year in line with the corporate Performance Management Framework.

3. Business Planning

- 3.1 The business planning process for 2010/11 is nearing completion, with officers having considered potential changes to the existing Business Plan. A report on the Business Plan for 2010-13 is also on the agenda which will ensure that it is considered alongside the budget. Members and officers have been updated throughout the process and advised of the relevant factors and information - both local and national - that may influence or affect the work of the Council over the next three years.
- 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 law on the setting of the budget for the Council and the determination of Council tax levels is contained in the Local Government Finance Act 1992.
- 5.2 The legal and statutory implications are contained within the report. The Council's processes for the development and adoption of its 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 specific capital items e.g. Disability Discrimination Act – Access to buildings, and in the strategic themes which formed the basis on which the Capital Strategy & Asset Management Group approached the prioritisation of bids.

7. Risk Management and Health and Safety Implications

- 7.1 Each savings proposal has been assessed in terms of service risk and reputational risk and these have been included in reports to the Scrutiny Panels. In addition a risk analysis has been carried out on the budget in total to produce an assessment of the level of General Fund balances (Section 1, paragraphs 6.4 – 6.7) needed to provide cover for unforeseen events.
- 7.2 Risk management and health and safety implications were considered as part of the Capital Strategy & Asset Management Group's prioritisation process and Corporate Risk Management Group.

8. Consultation undertaken or proposed

- 8.1 Regular reports have been made on progress on the MTFs and Budget to Cabinet on 22nd June 2009, 12th October 2009, 14th December 2009 and 18th January 2010.
- 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 proposals have been discussed in detail with the voluntary sector;
 - Consultation with the Merton Partnership has taken place and a report outlining the Council's proposals has been presented to the Partnership Board

- 8.3 In accordance with statute, consultation is taking place with business ratepayers and a meeting was arranged for 22 February 2010. Unfortunately, no businesses attended the meeting.
- 8.4 In addition, regarding the capital programme, meetings of the Capital Strategy & Asset Management Group 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: Revenue budget

- Appendix 1: Draft Resolutions to Council
- Appendix 2: Outcomes of Overview & Scrutiny Panels and Commission, along with Cabinet response.
- Appendix 3: Local Government Finance Settlement 2010-2012
- Appendix 4: Collection Fund
- Appendix 5: Corporate and technical adjustments in the MTFS
- Appendix 6: Details of Savings proposals
- Appendix 7: Details of Growth proposals
- Appendix 8: Details of Specific and Area Based Grants
- Appendix 9: Budget summaries (TO FOLLOW)
- Appendix 10: Risk based assessment of balances strategy
- Appendix 11: Workforce reduction analysis (TO FOLLOW)
- Appendix 12: Analysis of the transition from £14.527m gap to balanced budget
- Appendix 13(a): Statement of Council Tax requirements and balances
- Appendix 13(b): Revised MTFS incorporating changes
- Appendix 14: Reserves

SECTION 2: Schools budget

No appendices

SECTION 3: Capital budget

- Appendix 15: Draft Capital Strategy and Capital Programme 2009-13
- including details of draft Capital Programme 2009-13
- Appendix 16: Treasury Management Strategy including Prudential Indicators

SECTION 4: Medium Term Financial Strategy

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

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SECTION 1:

THE GENERAL FUND REVENUE BUDGET AND COUNCIL TAX STRATEGY

1. **Background to Financial Planning**

1.1 Building on the approach adopted for previous years, the Council made an early start to the budget process for 2010/11 in April 2009. Cabinet on 22nd June 2009, agreed that the 2010/11 budget process would retain a number of the key elements of the 2009/10 methodology:-

- focusing on performance and financial information links;
- close linkage with the business plan targets and impacts;
- an early start to the process
- Capital programme and bids to be fully integrated and to include all sources of capital funding

1.2 It was also agreed that savings identified through the Outstanding Council Board/Transformation Project would need to make a major contribution to the budget process and addressing the gap. Information and papers would include total expenditure and income data on a departmental basis due to the change in approach and impact of the Target Operating Model (TOM) of the Council as a whole and each service within it. Updated budget summaries have been provided to Cabinet throughout the process.

1.3 Whilst some savings were identified from transformation in the 2009/10 budget, it was expected that savings from the Transformation Programme would be needed to make a significant contribution towards 2010/11 and future years.

1.4 It was recognised that given the size of the budget gap in 2010/11 and future years, and that the Council's controllable budget is predominantly salary based, that there would need to be significant employees savings.

1.5 **Strategy to set a balanced budget in 2010/11 and future years**

1.5.1 The MTFS agreed in March 2009, whilst setting a balanced budget for 2009/10, identified gaps of £14.527m in 2010/11 and £11.974m in 2011/12 and this formed the starting point for the MTFS 2010-2013:-

a) **Medium Term Financial Strategy 2009-2012**

	Forecast 2009/10 £m	Forecast 2010/11 £m	Forecast 2011/12 £m
Revenue Budget brought forward from previous year	144.935	148.452	149.434
Less: Levies	(0.675)	(0.729)	(0.788)
Revenue Budget brought forward exc. Levies	144.260	147.723	148.646
Technical and Corporate adjustments	7.028	14.763	10.213
Savings b/f (including full year effects of 2007/08)	(0.778)	(0.540)	0.000
Growth b/f (including full year effects of 2007/08)	0.993	0.214	0.000
Forecast Budget Requirement (inc. Growth and Savings)	151.503	162.160	158.859
Add: Levies	0.729	0.788	0.826
Forecast Budget Requirement	152.232	162.948	159.685
Formula Grant (RSG and Business Rates)	66.751	67.733	67.733
Council Tax (2.5% in 2009/10, 0% in 2010/11 & 2011/12)	81.701	81.701	81.701
Total Resources	148.452	149.434	149.434
Revised Gap (before savings) and any Council Tax increase	3.780	13.514	10.251
Savings/Income proposals	(6.546)	(0.191)	0.248
Revised Gap after Savings/Income	(2.766)	13.323	10.499
Growth agreed to date	2.766	1.204	1.475
Revised Gap after Savings/Income and Growth	0.000	14.527	11.974

1.5.2 During the budget process for 2010/11, the MTFFS has been rolled forward for a further year and the assumptions upon which it is based regularly reviewed and reported to Members. Whilst some significant savings over the next three years are expected from the Merton Transformation Project, it was apparent that there was still a need to consider options which would, in the shorter term, contribute to eliminating the budget gap of £14.527m in 2010/11. It was recognised that workforce reduction would be needed and a scheme was put in place.

1.5.3 In order to address the budget gap, Cabinet on 22 June 2009 agreed the approach that savings targets for each department should be set. The allocations were calculated using controllable budgets for 2009/10 and weighting factors were used to lessen the burden on Children, Schools and Families and Community and Housing departments. Allowance was also made for the capacity of each department to generate additional income.

1.6 **Workforce Reduction Scheme**

1.6.1 A voluntary workforce reduction scheme was also introduced with two aims:

- to minimise compulsory redundancies
- to deliver full year savings in relation to the 2010/11 budget

1.6.2 Regular updates have been given to Cabinet throughout the budget process and the latest position is included in Appendix 11 of this report.

1.7 Approach to identifying Savings

1.7.1 As with previous years, this year's budget process is a multi-year approach that looks at the total costs of the service, including contracts, over the period 2010-2013.

1.7.2 Departments have identified savings proposals from their controllable budgets and these have been reviewed for acceptability, feasibility and risk to determine the level of savings in each department.

1.7.3 This approach has tested departments' plans against corporate priorities. It has also tested how robust each department's budget planning has been, identified whether risk has been addressed, questioned the level of value for money being achieved and so on. It has provided a high level, focused approach to resource allocation, prioritisation and budget planning.

1.7.4 This multi-year approach will enable more long-term planning of expenditure and has enabled work to start on identifying savings proposals for 2011/12 and 2012/13 as well as 2010/11. There will be benefits in future years' budget planning as the draft proposals will already have been considered and development work can be progressed at an early stage.

1.7.5 This approach provided sufficient savings options to fund necessary growth requirements.

1.8 Growth

As part of the budget process it has also been necessary to review growth priorities and new growth in light of new statutory responsibilities and business plan priorities.

1.9 Income

1.9.1 Additional net income of £0.318m has been identified to contribute towards the budget. However, the impact of the recession continues to place some income budgets, such as planning, under severe pressure.

1.10 Setting a Balanced Budget

Resource projections have been continually updated throughout the year and the summary MTFS updated to inform Members and officers of the overall position for 2010-2013. The initial stage was to re-price and update the current year's budget to incorporate an assessment of inflation, full year effects and other technical changes over the period. A three-year forward plan is presented, but it is still a legal requirement that a balanced (i.e. fully funded) budget is achieved for 2010/11. 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.

1.11 Budget savings and growth proposals have been formulated within the overall constraints of the resource projections. The proposals have been approved in principle by the Cabinet and then considered by Overview and Scrutiny Panels as part of the scrutiny process. Scrutiny Panels have met again during February 2010 and their feedback on the Council's spending proposals is set out in Appendix 2.

1.12 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 2010/11 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, the Housing Revenue Account and the Capital Programme. The detailed MTFS is included in Section 4 of this report.

2. **Local Government Finance Settlement 2010/11**

- 2.1 The financial projections in the last report to Cabinet were based on Merton's formula grant as announced in the provisional Local Government Finance Settlement on 26th November 2009.
- 2.2 The final Settlement was announced on 20th January 2010. Further details on the Final Settlement for 2010/11 are provided in paragraph 5.1 and in Appendix 3.

3. **Review of Corporate and Technical Provisions for 2009-2012**

- 3.1 The report to Cabinet on 18th January 2010 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 budget process for 2010/11 and were reported to Cabinet on 18th January 2010 and sanctioned by Corporate Capacity Overview and Scrutiny Panel on 4 February 2010 and the Commission on 11 February 2010.
- 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 Pay:

2009/10 award:

The MTFS approved by Council on the 4th March 2009 included 2.0% for the 2009/10 pay award. However, employee budgets for 2009/10 have been reduced by 0.75% to reflect the 1.0% pay award which has been agreed, and the saving (approximately £0.6m) transferred into the contingency. The remaining 0.25% was used to settle the 2008/09 pay award. The ongoing impact of the 2009/10 pay award has been incorporated into the draft MTFS for 2010-13.

2010/11 award:

The Trade Union Side of the National Joint Council for Local Government Services has submitted (on 26th October 2009) a pay claim for an increase in 2010/11 of "a £500 flat rate increase or 2.5% - whichever is the greater."

On 20th January 2010, the Local Government Employers (LGE) informed the three trade unions (UNISON, GMB and Unite) that they are unable to offer any increase in pay for 2010/11.

For future years, the 2009 Pre-Budget Report announced new efficiencies and reforms across the public sector including a one per cent cap on public sector pay settlements in 2011-12 and 2012-13. It also announced a set of fundamental reforms to pay-setting for senior staff, aimed at increasing the robustness, transparency and accountability of decision making across the public sector.

The report to Cabinet on 18th January 2010 reduced the provision in the MTFS for a settlement of the pay claim for 2010/11 at 1%.

3.3.2

Prices:

CPI annual inflation, the Government's target measure, was 3.5% in January 2010 (December 2009: 2.9%). There was a record CPI monthly upward movement between December to January, mainly due to the increase in January 2010 in the standard rate of Value Added Tax (VAT) and to a lesser extent, the continued increase in oil prices. The largest upward pressures came from transport with the biggest element of the increase being in fuels and lubricants, but also maintenance and repairs and the cost of new and second hand cars also contributed to the rise. The increase in transport costs was partially offset by reductions in air and sea transport costs.

RPI inflation was 3.7% in January 2010, up from 2.4% in December 2009. The last time RPI grew between December and January was in 1991. The VAT and oil price increases also affected the RPI but by far the largest upward contribution was from increased housing costs. Mortgage interest payments and house depreciation were also significant contributors to the rise. The increase in housing costs was partially offset by a reduction in dwelling insurance premiums.

In previous years, in determining the level of council tax for the coming year, recognition has been given to the increase in RPI from September to September of the preceding year. This is the methodology used in setting the level of increase in the Basic State Pension. Between September 2008 and September 2009, the RPI fell by 1.4%. However, the Basic State Pension has increased by 2.5% in line with the Government's commitment to up-rate basic State Pension by the higher of 2.5% or growth in the RPI.

Outlook for Inflation

The Pre-Budget Report, which the Chancellor of the Exchequer presented in December 2009, forecast that CPI inflation is expected to

continue to rise in the short-term due to the reversal of the cut in the VAT rate back to 17.5% in January 2010 and also with fuel prices above the lows of early 2009.

Following this, inflation is forecast to fall during 2010 and also in 2011, and move well below the 2% target, as the large negative output gap exerts downward pressure on prices.

HM Treasury have produced the following forecast for CPI and RPI:-

Inflation (Quarter 4)	2008 %	2009 %	2010 %	2011 %	2012 %
CPI	4	2	1.75	1.5	2
RPI	2.75	0.5	2.5	3.5	3.5

Source: Pre-Budget Report December 2009 – HM Treasury

Clearly, if these forecast rates of inflation prove to be accurate, it may have implications for the employers' side to maintain pay increases within the 1% cap set in the Pre-Budget Report.

- 3.3.3 The key issue is to try to accurately predict the inflation trend during 2010/11. In order to do this, an analysis has been undertaken of the HM Treasury Forecasts for the UK economy (January 2010), which offers a comparison of independent forecasts for a range of economic factors, including RPI and CPI.

The forecasts suggest the following inflation rates over the next year or so:-

	Lowest	Highest	Average
2009 (Quarter 4)	%	%	%
- CPI	1.2	2.3	1.8
- RPI	-2.1	0.6	0.0
2010 (Quarter 4)			
- CPI	1.1	3.8	1.8
- RPI	2.0	4.8	2.8

- 3.3.4 Based on the average independent forecasts, the average inflation rate during 2010 is estimated to be around 1.8% for CPI and 1.4% for RPI. The worst case is expected to be around 3% for CPI and 2.9% for RPI.

3.3.5 Utilities inflation

In 2009/10 the utilities costs were very volatile and it was necessary to review the budgets throughout the process. However, it has since been possible to lock the majority of the contracts into 2 or 3 year fixed prices which it is considered are around the bottom of the market. Of course, the

downside is that once these expire there could be some significant increases again - depending upon the economic recovery. Given that contract prices have been locked into at favourable rates it is possible to reduce the inflation provision for utilities by £0.200m.

3.4 Treasury Management, Capital Financing and Investment Income:

- 3.4.1 Details are included in Section 3 of this report in which the Treasury Management Strategy is included as part of the Capital Strategy. Capital financing costs are derived from the draft capital programme which is discussed in Section 3 and estimated revenue funding is built into the MTFS for the level of borrowing that is expected.

	2010/11 £m	2011/12 £m	2012/13 £m
Revenue effects of 2010-13 Capital Programme			
- Budget	21,004	23,504	26,004
- Forecast	19,970	23,039	26,036
- Surplus/(Deficit) funding	1,034	465	(32)

3.5 Collection Fund

- 3.5.1 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. The Collection Fund also accounts for National Non-Domestic Rates which it receives from businesses and pays into a national pool that is administered by the Government. These transactions have no overall effect on the balance on the Collection Fund. Any surplus or deficit on the Collection Fund is shared between, or charged to, the Council and its preceptors in proportion to their demands upon the Collection Fund. The 2008/09 audited surplus is £4.287m and the estimated shares are £0.946m to the GLA and £3.341m to Merton.

The budget for 2009/10 included an amount of £1.0m to support the revenue budget, and £0.5m thereafter. Given the level of surplus as at 31st March 2009, a one-off saving of £1.841m has been incorporated into the MTFS in 2010/11. An amount of £0.5m has been included for 2011/12 and 2012/13.

More detail on the Collection Fund is provided in Appendix 4.

3.6 Pension Fund – Actuarial Review 2010

- 3.6.1 An actuarial review will take place during 2010 and the financial implications of this impact on 2011/12 and beyond. The MTFS will be updated to include an estimate when further details are known.

3.7 Council Tax Base

- 3.7.1 Cabinet on 14th December 2009 approved the Council Tax Base for 2010/11. The Council Tax Base for 2010/11 is 74,250.1 compared with 73,027.0 for 2009/10. The additional yield from Council Tax in 2010/11 arising from the change in the council tax base is £0.690m. An increase in the collection rate of council tax has also been incorporated into the base which yields a further £0.676m.

3.8 Single Status

- 3.8.1 The Single Status Agreement was finalised in May 2009 and funded largely from provision included in the previous year's budget. The ongoing costs have been built into service department's budgets where applicable. There is budget provision of £2m in the base budget for 2010/11 which can be released.

3.9 VAT

- 3.9.1 The budget for 2009/10 included one-off income from VAT relating to

- Claim for repayment for previous years: relating to areas of VAT where HMRC has made a mistake in the implementation of EC directives and where we are able to claim for periods before 1996. The CondeNast/Fleming cases enable local authorities to claim overpaid output tax back to 1973. A prudent estimate of the sum, which the Council anticipated could expect was £350,000 and this was included in the budget.

- 3.9.2 During the period to the end of July 2009 (financial year 2009/10), HRMC settled the majority of these claims and the Council has received more than £1.3m (net of fees). These sums were in respect of claims for libraries, cultural and sporting services and excess parking charge. This figure includes interest on the sums claimed.

- 3.9.3 Therefore, an additional one-off income amount of £1m is available to address the budget gap in 2010/11.

3.10 Contingency

- 3.10.1 The 2009/10 budget included a provision of £2.0m as a contingency to meet unforeseen cost and demand pressures, to mitigate against the impact of any delay or difficulty in implementing savings proposals agreed as part of the budget process, to provide a buffer against the potential risks arising from the recession including the impact of the reducing Bank Base Rate, increased levels of referrals, and declining levels of car parking income and provide for additional expenditure required as a result of a national child protection review.

The report to Cabinet on 18th January 2010 indicated that during 2009/10 the contingency has essentially been held against the spending pressures in Children, Schools and Families department arising from Baby Peter and this is expected to continue. There has also been a shortfall in income within Environment and Regeneration which will need to be closely managed during 2010/11 and is largely dependent on how quickly the economy recovers from the recession. Accordingly, the report proposed an addition of £0.455m to the contingency.

- 3.10.2 The position in a number of key areas is changing constantly. The outcome of the Government's proposed changes to concessionary fares funding are still to be finalised, the potential underestimation of the costs of free home care to the Council, and possible short term increased costs arising from significant increases in both RPI and CPI as announced on 16th February 2010 and continuing uncertainty in the lead up to the General Election are all risks. It is therefore proposed to add an additional £0.445m to the contingency to increase it to £2.9m.

3.11 Housing Stock Transfer

- 3.11.1 The position reported to Cabinet on 18th January 2010 indicated that in order to provide for the impact of the transfer on the General Fund, £0.550m has been included in MTFS in 2010/11.

3.12 Cost of Census

- 3.12.1 The ONS has scaled back their resources to undertake the Census. In light of the importance of determining Merton's population figures from both a service planning and financial perspective, it was proposed in the Cabinet report on 18th January 2010, that additional resources of £0.050m be included to cover a communication campaign, potentially additional staff to support ONS enumerators and other tasks following up on those hard to reach areas known to us from experiences with the electoral roll.

3.13 Other reserves

3.13.1 Local Authority Business Growth Incentive Scheme (LABGI)

The LABGI reserve has largely been utilised in 2009/10. However an additional allocation of £0.283m was received in year.

	£m
Amount brought forward 31/03/09	(1.969)
Planned use in 2009/10	1.647
Additional grant received	(0.283)
Estimated balance 31/03/10	(0.605)
To support existing Regeneration Base Budget 2010/11	0.201
EDS Strategy 2010/11	0.200
Estimated balance 31/03/10	(0.204)

3.14 Concessionary Fares

3.14.1 The Freedom Pass allows Londoners aged 60 and over plus eligible disabled residents to travel free on the capital's buses, trains, London Underground, trams, and the Docklands Light Railway. The government's national concessionary fares scheme allows disabled people and those aged 60 and over to use their passes on any off peak bus journey in England. The council covering the place where the free bus journey begins is required to pay the cost of the journey.

3.14.2 Under a three year package announced by the government in 2008, London was set to receive around £58 million in 2010/2011 to help cover the cost of providing free off peak bus travel in the capital. However, the Government announced in November 2009 that they would reopen the consultation on the last year of the settlement. It was recognised that London would be hit harder than anywhere else in the country and in the response to the consultation, London Councils said there has been systematic underfunding for the last decade which must be addressed. It argued the funding has not kept pace with all the statutory burdens on London which have been introduced over the past decade.

3.14.3 The Government's response to the consultation proposes a reduction of £30.22m in London's grant from the level previously agreed by Parliament. This compares with a reduction of £28.63m proposed in the consultation - i.e., as a result of the responses to the consultation, the proposed cut has increased by £1.59m. The response states that:
"A new Special Grant Report will be laid before Parliament seeking approval to these revised special grant allocations This report will shortly be the subject of debate in Parliament before a resolution is sought

from the House of Commons. The grant will be paid in the 2010/11 financial year."

3.14.4 In response to the Government's intention to reduce the funding for London, growth of £0.400m was included in the draft budget and MTFS for concessionary fares.

3.16 Bad Debt Provision

3.16.1 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, even under the current economic circumstances. The level of provision will be kept under review within the MTFS.

3.17 European Union Directive

3.17.1 As a result of the recent judgement the Council will not be able to charge in future for land search information for which the Council currently charge land search fees. Currently the Council is able to charge for the extraction and supply of information both to solicitors and private search agencies, on the basis of costs. However it is estimated that this judgement will result in a further sum of £600,000 which will be forgone by the Council in 2010/11. The Council will now only receive a fraction of the income previously received. Consequently it is necessary to include growth of £600,000 in 2010/11 to eliminate the reduced income anticipated.

3.18 Costs of Free home care

3.18.1 The proposed increase in the level of contingency is partially to cover the potential underestimation of costs to the Council of this Government initiative.

3.19 Potential increase In cost of DR Recovery Centre

3.19.1 Initial discussions indicate that the costs of the DR Recovery Centre could potentially increase by £0.070m

3.20 Summary of Corporate and Technical Adjustments

3.20.1 The financial implications of the corporate and technical adjustments discussed in this report are summarised in Appendix 5.

4. **DEPARTMENTAL SAVINGS AND GROWTH**

4.1 Savings proposals agreed by Cabinet on 18th January 2010 and subject to scrutiny totalled £11.637m in 2010/11 and are summarised in the following table:-

TOTAL SAVINGS	2010/11 £m	2011/12 £m	2012/13 £m
Chief Executive's	0.416	0.016	0
Corporate Services	3.089	0.192	0.167
Children, Schools and Families	1.151	0.020	0
Environment and Regeneration	3.730	(0.045)	0
Community and Housing	3.352	(0.218)	0
TOTAL	11.738	(0.035)	0.167

4.2 Proposed Changes to Savings:-

4.2.1 Cabinet have reviewed the feedback from the Scrutiny process and the following amendments are proposed:-

SAVINGS TO BE REMOVED		
CSF 29	Youth and Inclusion – Reduce volunteer funding to volunteer project	Cabinet propose that this saving of £21,000 is removed
CC20	Reduction in voluntary sector grants	Cabinet propose that this saving of £40,000 is removed.

4.3 The revised mix of deliverable and political risk of the savings proposals, as previously presented to Cabinet on 18th January 2010, updated for the changes here, are set out in the following chart, i.e. those savings where there is deemed to be a high reputational impact and a high risk of non-deliverability are 0.43%, or £0.051m by value, of the total gross savings.

DELIVERABILITY RISK	High	1.42% (0.0% 2009/10)	10.07% (11.27% 2009/10)	0.43% (3.30% 2009/10)
	Medium	9.09% (4.90% 2009/10)	27.13% (32.94% 2009/10)	2.79% (8.13% 2009/10)
	Low	28.83% (23.07% 2009/10)	16.97% (9.61% 2009/10)	3.26% (6.78% 2009/10)
		Low	Medium	High
		REPUTATIONAL RISK		

4.4 The savings have also been analysed by type and this is set out in Appendix 6.

4.5 **Update/Review of Growth**

4.5.1 Total growth proposals are summarised in the following table:-

TOTAL GROWTH	2010/11 £m	2011/12 £m	2012/13 £m
Chief Executive's	0.500	(0.425)	0
Corporate Services	0.494	(0.189)	0.044
Children, Schools and Families	1.206	0.165	0.150
Environment and Regeneration	0.284	0.160	(0.114)
Community and Housing	0.752	0.079	2.530
TOTAL	3.236	(0.210)	2.610

4.5.2 The draft growth proposals have also been analysed by type and this is set out in Appendix 7.

4.6 Proposed Changes since Cabinet on 18th January 2010

4.6.1 As outlined in the report there are a number of changes that are proposed following the Scrutiny process and other updated information. The net effect is summarised in the following table:-

	Change 2010/11 £000
Environment & Regeneration – Neighbourhood Renewal	(50)
Environment & Regeneration – Safer Merton	(112)
Council Tax - increase in collection rate	(676)
Council Tax – reduction of 1.4%	1,162
European Union Directive	600
Proposed changes to savings (paragraph 4.2.1)	61
Potential increase in costs of DR Recovery Centre	70
Unallocated growth	(1,500)
Addition to contingency	445
Net change	0

5. **GOVERNMENT GRANTS**

5.1 Formula Grant

This is the main source of Government funding for General Fund Services. A three Settlement was announced for 2008-11 and therefore 2010/11 represents the final year. A further three year Settlement is expected for 2010-13 but will not be known until November/December 2010 at the earliest and will be based on the Comprehensive Spending Review which a new Central Government Administration is expected to formulate following the outcome of the General Election. A summary of the 2010/11 Settlement is included at Appendix 3.

5.2 Grants

5.2.1 Area Based Grants

ABG is an unringfenced general grant which means that authorities are able to spend the money as they deem appropriate. Authorities are not required to provide any additional information other than that provided in their statutory accounts, statistical returns and returns for Whole of Government Accounts. Local Authorities and their partners are of course still responsible for performance against the National Indicator Set and their LAA targets.

Appendix 8 contains details of all the constituent grants for 2010/11 ABG, including changes from their 2009/10 level. This suggests that overall funding has increased from £7.6 m to £10.9m; however, this does not represent additional funding to the Council but reflects the inclusion of the

£3.4m Supporting People grant within ABG. As the reconciliation at the bottom of Appendix 8 shows, there is actually a decrease in the existing constituent grants of £0.227m. This reconciliation shows that the overall increase of £3.220m in ABG can be broken down into the introduction of the £3.390m Supporting People grant, an increase in other new constituent grants of £0.064m and the decrease of £0.227m for constituent grants that were part of the original ABG 2009/10 determination. The £3.390m Supporting People grant within the 2010/11 ABG determination is the same amount as currently received by Merton in 2009/10 in the form of a ring-fenced grant, whereas the £0.065m for Economic Assessment Duty represents a new income stream targeted at Local Economic Assessments. The table below summarises major changes in the determination to constituent grants.

5.2.2 LAA PRG 2007-10

LAA stretch targets for enhanced performance were agreed between the Merton Partnership and Government as part of Merton's first LAA which was completed in 2007. These targets were honoured by Government for the revised 2008-11 LAA and include receipt of Performance Reward Grant (PRG) of up to £5.5 million on their achievement at the end of the 2007-10 LAA period. In a report to the Merton Partnership Executive Board (MEPB) on LAA PRG (26 November 2009), the predicted award for PRG is £3.1m out of a possible total of £5.5m. This is based on forecasts for stretch target achievement based on performance data at the time of the MEPB report in November. At the time of this report no further forecasts have been carried out. The MEPB report also includes a 'best case scenario' estimate which shows that a further £0.530m could be achieved, bringing the total PRG to £3.6m. In this estimate, £1.9m of PRG is not achievable; this is either because annual targets have not been met or because cumulative performance has been sufficiently below target to mean that there is no likelihood of any PRG being awarded.

PRG is paid in two equal instalments. Merton will submit an initial claim in 2010/2011 and the second in 2011/2012. It is paid as half capital, half revenue, with no other restrictions on how the money is used. The grant can be carried forward and there is no final date by which the money must be spent. Current guidance states that payment of the first instalment will be paid within two months of the local authority submitting the claim. Therefore a probable date for receipt is mid-February 2011 and the DCLG guidance states that payments should be made before 31 March as long as the claim is in order. The second instalment is payable the following year.

A further report to MEPB (28 January 2010) proposed a protocol for the distribution and management of PRG; this was approved by the Executive Board.

Other Grants (e.g. Ring-fenced Grants)

A summary of the information received so far on government grants, including Area Based Grants, is provided at Appendix 8.

6. **BUDGETARY CONTROL 2009/10**

6.1 The revenue budgetary control information contained in the table below summarises the corporate position using the latest available information as at 31st December 2009 as reported to the Corporate Capacity Overview and Scrutiny Panel on 11th February 2010 and also on the agenda for this meeting. As at 31st December 2010, there is a forecast underspend for the Council of £3.404m

Department	Original Budget 2009/10	Current Budget 2009/10	Year to Date Budget (Dec)	Year to Date Actual (Dec)	Full Year Forecast (Dec)	Forecast Variance at year end (Dec)	Forecast Variance at year end (Nov)	Full Year Variance 2008/09 (excludes ABG)
	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive's	2,587	2,759	3,375	3,182	2,659	(100)	(75)	(83)
Corporate Services	12,120	12,269	21,045	19,491	11,814	(455)	(424)	(104)
Children, Schools & Families	33,002	37,995	114,805	105,236	40,245	2,250	2,353	(191)
Community and Housing								
Adult Social Care	50,540	53,601	36,077	30,240	52,954	(647)	(347)	} (533)
Libraries & Adult Educ	2,947	2,918	3,468	3,341	2,878	(40)	(70)	
Housing General Fund	1,117	1,590	3,747	3,182	1,590	0	0	
Environment & Regeneration	32,452	32,388	16,433	15,030	33,383	995	903	933
NET SERVICE EXPENDITURE	134,765	143,520	198,950	179,702	145,523	2,003	2,340	22
Total Corporate Provisions	15,347	6,592	711	711	1,185	(5,407)	(2,429)	
Total General Fund	150,112	150,112	199,661	180,413	146,708	(3,404)	(89)	22

6.2 The major variances (>£0.0250m) and reasons for the departmental overspend are:-

Corporate Services (£0.455m)

There is a forecast over-achievement of income on CHAS of around £1.095m offsetting pressures in corporate items and legal services

Children Schools and Families £2.250m

Children's Social Care Staffing and Placement costs have risen significantly in the light of national concerns around child protection post

Baby Peter and a number of other high profile cases. The cohort of children changes on a weekly basis, while the levels of additional staffing are likely to remain constant (unless activity volume falls), the placement costs can vary significantly. Officers are therefore now predicting an overspend of £2.2m.

There is a projected overspend of £0.976m on Children's Social Care and Education Needs transport costs but this is being offset by a range of management action. The pressures within Children's Social Care are because of increased referral and activity levels arising from the "Baby P" case.

Environment and Regeneration £0.300m

Shortfall in income (£0.856m) for parking services (£0.606m), building control (£0.190m) and development control (£0.060m) has been partially offset, mainly by an anticipated underspend in waste management of £0.450m due to economic factors, as well as expansion of recycling activity, and also due to a range of management action.

Community and Housing (£0.687m)

Adult Social Care (underspend of £0.647m) - Based on the December CareFirst commitment information, there will be an estimated underspend on placements at year-end.

Other – Corporate items

VAT Savings – In 2008, the Council commissioned PricewaterhouseCoopers on a no win, no fee basis to make claims under the Fleming judgement. As a result of this, HMRC has settled these claims and they exceed the amount anticipated within the budget by £1m.

Cost of Borrowing – Slippage of £2.072m has been identified.

Both of these corporate items have been set aside to facilitate the setting of the 2010/11 Council budget.

- 6.3 It is essential that the Council does not overspend its approved budget and where there are signs that this will be the case, positive and meaningful action must be put in place to avoid such overspends. Chief Officers, together with Departmental Financial Controllers and budget managers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are underspent, these underspends are retained until year end.

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 A strategy for building the General Fund balance to a more prudent level over the three-year plan period has been a feature of previous years and has been reflected in the Financial Standing element of the Use of Resources score. General Fund balances were £12.040m as at 31st March 2009 and there have been reports to Cabinet approving the utilisation of these to fund redundancy costs of £1.012m subject to receiving the capitalisation direction. Refer to Appendix 11 for an update on this as a capitalisation direction has now been received.

7.3 A report on the Council Balances and Reserves Strategy was taken to the Overview and Scrutiny Commission on 28th January 2010. The strategy has been reviewed and updated. 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 2011/12 and 2012/13. 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 three 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. Incorporating the latest information, the effect on the Council's balances strategy would be as set out below:-

	£m
Balance b/f @ 31/3/2009	12.040
Amount relating to Area Based Grant	(1.042)
Balance @ 31/03/09 excluding ABG	10.998
Forecast call on balances 2009/10	(0.735)
Estimated balances c/f 31/3/10	10.263
Forecast Contribution 2010/11	0.0
Estimated balances c/f 31/3/10	10.263

** Assumes capitalisation of approximately £0.300m previously identified as potential call on GF balances.

7.4 Assessment of Risk and Contingency to mitigate risk

Using the same methodology as for previous years, the Council's draft budget for 2010/11 has been analysed to identify key areas of risk. However, the opportunity has been taken to utilise the availability of more detailed information in the budget summaries in Appendix 9.

7.5 In addition, the savings proposals for 2010/11 have been assessed in terms of deliverable risk.

7.6 The outcome from the analysis is that the level of assessed risk is as set out in the table below:-

	Minimum	Medium	Maximum
	£m	£m	£m
Assessed Risk	8.5	11.2	14.8

7.7 In order to provide cover around the middle position of risk, the balances strategy set out in paragraph 7.3 needs to be maintained, but will be kept under review as circumstances change.

7.8 The risk analysis undertaken on savings proposals in terms of deliverable and reputational risk are included in Appendix 6.

7.9 Full details of the analysis undertaken, and the assumptions used in producing the assessed risk set out in the table at paragraph 7.6 are included at Appendix 10.

8. **Council Tax Strategy**

8.1 The level of council tax has featured consistently as one of the highest concerns of residents in the Annual Residents Survey. The results of the

2009 survey have been published and the level of council tax was placed second with 37% (39% in 2008) of residents raising it as a concern.

- 8.2 The level of inflation (both RPI and CPI) has been closely monitored throughout the year. Since 2006 Members previously have used the September to September RPI as a guide to help set the level of council tax as this is normally the same percentage as the change in state pension provided under the State Earnings Related Pension Scheme (SERPs).
- 8.3 The change in RPI from September 2008 to September 2009 was a reduction of 1.4%. This would reduce the Band D Council Tax by £15.68, from £1,118.78 to £1,103.10.

9. **Positive Assurance Statement**

- 9.1 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.
- 9.2 In accordance with the requirements of Section 25 of the Local Government Act 2003 to give a positive assurance statement, it should be noted that after considering all of the factors set out above, it is the view of the Director of Corporate Services that the budget for 2010/11 is robust and incorporates a strategy to ensure that proposed financial reserves are adequate.

10. **Greater London Authority Precept and Other Levies**

- 10.1 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.
- 10.2 The Mayor of London published his proposals for the GLA Group Budget and Precepts for 2010-11 on 10 December 2009 and his draft consolidated budget for 2010/11 on 19 January 2010. The Mayor presented his draft consolidated budget to the London Assembly on 27 January 2010 and his final draft consolidated budget to the London Assembly on 10 February 2010. The London Assembly agreed to set a Band D council tax precept of £309.82 for 2010/11 for the London Boroughs which is unchanged from 2009/10. The contribution to support the funding of the 2012 Olympic Games and Paralympic Games remains constant at £20 at Band D. The GLA have analysed the expected changes in components of the precept as summarised in the following table:-

Change in precepts	Pence/week
Metropolitan Police Authority	-15p
London Fire and Emergency Planning Authority	12p
Greater London Authority	3p
Transport for London	-
London Development Agency	-
Collection fund – reduced council tax collection surplus	-
Total band D change	Nil

10.3 Other Levies

10.3.1 The Council is required by statute to pay certain levies to the organisations listed below. The levies for 2010/11 have now been confirmed and are set out in the following table:-

	2009/10 £000	2010/11 £000	2010/11 Change %
London Pension Fund Authority	296	283	(4.3)
Lee Valley Regional Park	225	227	0.9
Environment Agency	146	148	0.9

These changes are provided for within the overall budget target.

10.3.2 Wimbledon and Putney Commons Conservators (WPCC)

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 2010/11 will be £257,612.88, a reduction of £2,863.02 (1.1%) on the 2009/10 levy of £260,475.90

	2009/10 £000	2010/11 £000
Wimbledon & Putney Commons Conservators	260	258

11. WORKFORCE REDUCTION

11.1 Budget implications arising from the voluntary workforce reduction scheme were reported to Cabinet on 12th October 2009, 14th December 2009 and 18th January 2010.

11.2 Further changes have occurred and the latest information is included in Appendix 11.

12. CONCLUSIONS

12.1 The Medium Term Financial Strategy assumes that all of the corporate provisions, proposals for growth and proposals for savings, in 2010/11 are agreed and if this is the case, the following financial position is achieved:-

Council Tax Calculation	£m
Budget requirement (non –Schools)	151.979
Formula Grant	(67.733)
Collection Fund Surplus	(2.341)
Balance to be met from Council Tax	81.905
Implied Council Tax 2010/11 (Band D)	1,103.10
Actual Council Tax 2009/09 (Band D)	1,118.78
Implied Net Change 2009/10 to 2010/11	(15.68)
Implied Change 2009/10 to 2010/11	(1.4%)

12.2 The implications for the level of Council Tax on a Band D property, including the GLA precept are set out as follows:-

Council Tax at Band D	2009/10 £	2010/11 £	% change from 2009/10
Merton	1,118.78	1,103.10	(1.4%)
GLA Precept (Provisional)	309.82	309.82	Nil
Implied Council Tax at Band D	1,428.60	1,412.92	(1.1%)

12.3 Analysis of the transition from the gap of £14.527m reported in March 2009 to a balanced budget as set out in this report is set out in Appendix 12.

12.4 A summary Statement of Council Tax requirements and balances based on the proposals set out in this report is attached as Appendix 13, and a revised MTFs summary incorporating the proposed changes set out in this report is provided at Appendix 13.

13. Housing Revenue Account

13.1 There is a report elsewhere on the agenda which reports on the HRA and the potential impact of the housing stock transfer.

14. **VFM and Efficiency Savings**

- 14.1 The 2007 Comprehensive Spending Review set the public sector a challenging target: to achieve three per cent annual cash releasing efficiencies between 2008 and 2011. In 2009 this target was increased to 10.5% over the three years. While there are no mandatory targets for individual authorities, each council will be required to report their progress through National Indicator 179, part of the National Indicator Set, and where there is evidence of underperformance, this will be followed up by the local Government Office.
- 14.2 The Council has set itself challenging internal targets and aims to achieve further cashable annual efficiency savings of 4% per annum over the period of the MTFs, in excess of the Government target and recognizing the importance of the agenda in Merton.
- 14.3 Progress against our efficiency targets is monitored on a regular basis by the Corporate Management Team and Cabinet, and reported to Government via National Indicator 179. In 2008/09 Merton reported savings of £4.9m (4%).
- 14.4 The council has recently embarked on its transformation programme as the main vehicle for delivering these efficiencies. The aim of this programme of work is to:
- transform the council into a leaner, more responsive organisation;
 - release resources to improve service delivery and the customer experience;
 - provide more efficient services enabling us to keep down Council Tax;
 - meet our business plan targets for making efficiency savings of 4% each year between 2009 and 2012; and
 - ensure that we balance our budget within an increasingly difficult financial climate and reductions in public sector funding.
- 14.5 Key to this is changing the way we do business, particularly through modernised back office functions, to ensure that we can secure our essential front line services and continue to provide good customer service within reducing resources.
- 14.6 The Merton transformation programme will provide a strategic and transformational approach to our efficiency work looking at issues across the whole council to ensure that decisions are made that are sustainable in the longer term.

14.7 There are three main themes to this work

- 1) Shaping a target (future) operating model for the council and implementing this. Work is ongoing in all areas of the council to determine how our target operating model for each service will look, and as part of this we have already started to review how we provide our corporate support services (finance, IT etc) and explore opportunities for joint working with other boroughs in a number of areas.
- 2) Transforming the way we procure goods and services to ensure that we maximise the best values from our contracts. This work has delivered £800k savings for 2010/11 and a programme of work is in place to review all our major contracts.
- 3) Carrying out a programme of Lean reviews across the council to identify waste and make our services more efficient. We started our first Lean reviews in January 2010, looking at improving processes in revenues and benefits, adult social care, fostering and adoption and waste services in order to provide better services or our customers.

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 2011/12 and 2012/13 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 2011/12 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 efficiency review
- Income – increase in fees and charges/new sources of income
- Council Tax increase
- Use of balances

APPENDIX 1

DRAFT RESOLUTIONS

Revenue Report:

1. Members consider the views of the Overview and Scrutiny Commission set out in Appendix 2 to the revenue report, and approve the proposed budget for 2010/11 set out in Appendix 13 of the revenue report, together with the proposed Council Tax levy in 2010/11.
2. That it be noted that at its meeting on 14th December 2009 the Council calculated its **Council Tax Base for the year as 74,250.10** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992.
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators Tax Base for the year as 10,801.86** in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
4. That the Council agrees 4(a) - 4(i) below, which are calculated in accordance with Section 32 to 36 of the Local Government and Finance Act 1992:
 - a) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act

	£m
Gross Revenue Expenditure of Service Committees	448.897
Corporate Provisions	30.246
Amounts Payable to the Levying Bodies	0.916
Contribution to Financial Reserves	0.000
Gross Expenditure	480.059

- b) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act

	£m
Fees, charges and other income of services	314.016
Corporate investment income and technical adjustments	13.628
Total Income	327.644

NB: The final analysis of gross expenditure and income may vary from the figures shown above as a result of some minor changes in allocations e.g. overheads

- c) being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year

	£m
Total Net General Fund Expenditure	152.415

- 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 redistributed non-domestic rates

	£m
Revenue Support Grant	8.588
NNDR	59.145
Total	67.733

- e) being the amount at 4(c) above, less the amount at 4(d) above calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year

	£m
Required yield from Merton's element of the Council Tax	84.682

- f) being the aggregate amount of all special items referred to in Section 34(1) of the Act

	£
Wimbledon and Putney Commons Conservators Levy	257,612.88

- g) being the amount at 4(e) above, less the amount at 4(f) above with the result divided by the amount at 2 above, calculated by the Council, 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 item relates, subject to (i)-(ii) below.
- i) being reduced by the amount of any sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the directions under section 98(4) of the Local

Government Finance Act 1988 made on 2 February 1995 -
£2,519,000 or

- ii) increased by the amount of any sum which the Council estimates will be transferred from its General Fund to its Collection Fund pursuant to the directions under section 98(5) of the Local Government Finance Act 1988 made on 2 February 1995 - **NIL**

	£
Merton's General Band D Council Tax Levy	1,103.10

- 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 by the Council, in accordance with Section 34(3) 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 Levy	1,126.95

- 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 36(1) of the Act, 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 £
Part of the Councils Area	735.40	857.97	980.53	1,103.10	1348.23	1593.37	1838.50	2206.20
Parts inc. WPCC	751.30	876.52	1001.73	1126.95	1377.38	1627.82	1878.25	2253.90

5. That the Council agrees the Council Tax levy for 2009/2010 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	206.55	240.97	275.40	309.82	378.67	447.52	516.37	619.64

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	941.95	1,098.94	1255.93	1412.92	1726.90	2040.89	2354.87	2825.84
Parts inc. WPCC	957.85	1,117.49	1277.13	1436.77	1756.05	2075.34	2394.62	2873.54

Agenda Item – Appendix 3

References/Comments from Scrutiny Panels to Overview & Scrutiny Commission 11 February 2010 Scrutiny of the Budget 2010/2011

Children and Young People Overview and Scrutiny Panel: 02 February 2010:-

Budget Reference	Specific proposal	Scrutiny response
Savings		
CSF28	<i>LAC, Permancy and Placements – deletion of one practitioner post in the 16 plus team.</i>	The Panel expressed concern about the impact that this would have on care leavers. Although some reassurance was provided by the Director and Cabinet Member, the Panel asked that the impact of this measure be monitored.
CSF29	<i>Youth and Inclusion – reduce volunteer funding to volunteer project</i>	The Panel expressed concern about the impact this may have on vulnerable young people who will no longer be supported in volunteering activity.
Growth		
CSF1	<i>Increases in budgets in Children’s Social Care in response to volume pressures</i>	The Panel questioned whether this level of growth would be sufficient to meet cost pressures. The Director explained that there is a level of uncertainty around this and that spend would be closely monitored so that real ongoing costs could be clearly identified in due course. Councillors Pearce, Akyigina and Martin and co-opted members Andrew Boxall and Ravi Kurup suggested that the base budget should be increased to prevent future overspends in this area, and asked for their concern to be recorded.
CSF2	<i>Special Educational Needs Transport</i>	The Panel noted the forthcoming scrutiny review of Merton Transport by the Healthier Communities and Older people Panel. The Panel felt that it would be inappropriate to comment on the growth proposals before the review’s recommendations are known.

Corporate Capacity Scrutiny Panel: 04 February 2010:-

Budget Reference	Specific proposal	Scrutiny response
CE12	<i>Policy Partnerships and Performance – delete 1 FTE Diversity and Community Cohesion Officer</i>	The Panel expressed concerns about the impact that this proposal would have on diversity and community cohesion work and voted in favour of deleting this saving, with the casting vote of the Chair. Note – The Overview and Scrutiny Commission had further discussion of this item at its meeting on 11 February and voted to retain the proposed saving (see paragraph 3.10 of the Commission’s report to 22 February Cabinet)
CS53,54,58,59,60	<i>Various proposals for deletion of posts in Revenues and Benefits</i>	The Panel asked a number of questions regarding the impact of these proposals and established that these are driven by different ways of working currently being developed through LEAN work. The Panel asked for information about the LEAN work to be made available to the meeting of the Commission on 11 February. The Panel requested a detailed report to one of its future meetings, setting out the LEAN proposals and likely impact.
CS65	<i>Corporate – reduced agency margins following renegotiation of Merton’s contract with Hays</i>	The Panel welcomed the achievement of reduced costs on this agency work contract.
Growth		
CEG1	<i>Chief Executives – to support the delivery of the Transformation Programme across the authority</i>	The Panel expressed concern that a growth item of this magnitude (£500,000) lacked detail on how the monies would be spent. Explanation was provided at the meeting. The Panel asked for detailed information to be provided to the meeting of the Commission on 11 February. The Panel asked for an update on this area of spend to be

		included in future budget monitoring reports. The Panel also asked for a report on the cost and achievements of the Transformation Programme to come to a future meeting.
CSG4	<i>IT Services – to provide a disaster recovery service from an off-site centre</i>	The Panel welcomed this growth item and referred to its previous discussions on this subject.

Corporate Capacity comments on budget summaries in Appendix 9 :

- Chief Exec's office (page 189) – salary data exposes individual member of staff. Panel requested that this be presented differently in future.
- Corporate Management (page 200) – Panel queried figure for employee cost given that there are no staff. Panel requested that this be clarified.

Healthier Communities and Older People Overview and Scrutiny Panel: 09 February 2010 :-

Budget Reference	Specific savings proposal	Scrutiny response
CC20	<i>Reduction in voluntary Sector Grants</i>	The Panel strongly welcomed the deletion of this saving from the budget for 2010/11, as advised by the Cabinet Member for Adult Care Services and Health at the meeting.
CC23	<i>Re-provide in-house home care service through external providers and reduce the home care working providing only a reablement service</i>	Some concerns were expressed about possible impact of this saving on the effectiveness of the reablement service. The Panel also expressed the importance of ensuring the service was available to everyone who needed it and that it should not be too rigid in terms of the time limits of 6-8 weeks.
CC34	<i>Access & Assessment – Review of Access and Assessment section structure</i>	Members expressed unease about the loss of 4 posts in the proposed new structure. The Panel resolved 'to accept this saving but to ask for it to be reviewed in approximately 6-9 months' time, to look at the possible implications. Therefore, if the service is not being provided to its usual high standard, then steps should be taken

	to look at the whole budget to investigate other areas where services could be withdrawn, in order to restore those currently being provided at CC34.
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General comments made relating to proposed budget savings:-

- The Panel was concerned that the Council maintained its ability to influence quality of care provided and that fee reductions were not allowed to become the sole consideration in service commissioning.
- There was also concern that staffing reductions should not affect assessment times.
- The panel was also concerned that, given the ongoing growth in demand for services, that the deliverability risk of this part of the budget could affect the deliverability risk of the whole budget.
- Attention was drawn to the risk matrix relating to the Panel's remit. Concern was expressed that a considerable number of the budget savings involve negotiations with external providers, which is a risky strategy in terms of deliverability, as they are fundamentally run as commercial enterprises.

Sustainable Communities Overview and Scrutiny Panel: 10 February 2010:-

Budget Reference	Specific proposal	Scrutiny response
	The Sustainable Communities Panel note the Budget Update 2010/11 and thanks all officers involved for their hard work.	

**Agenda Item – Appendix 4
References/Comments from Scrutiny Panels to Overview & Scrutiny Commission 11 February 2010
Scrutiny of the Capital Programme 2009/2013**

Children and Young People Overview and Scrutiny Panel: 02 February 2010:-

Scheme description	Scrutiny response
<i>Regeneration of former Eastfields Youth Centre</i>	The Panel requested that this scheme be given a more accurate description.

Corporate Capacity Scrutiny Panel: 04 February 2010:-

Scheme description	Scrutiny response
<i>Redundancy payments</i>	The Panel noted that the capitalisation of redundancy payments is subject to agreement by DCLG – as discussed at previous Panel meeting.
<i>Transformation (IT)</i>	In response to questions, the Panel received some explanation of the £5m spending planned over the next three years and possible additional spending beyond 2012/13 to cover the IT and other capital costs of the Transformation programme. The Panel expressed some concern over the lack of detail available at present and noted that business cases are expected to be firmed up during summer 2010.

Healthier Communities and Older People Overview and Scrutiny Panel: 09 February 2010 :-

Scheme description	Scrutiny response
No comments on Capital Programme	

Sustainable Communities Overview and Scrutiny Panel: 10 February 2010:-

Scheme description	Scrutiny response
The Sustainable Communities Panel noted the Capital Programme.	

APPENDIX 1 TO OVERVIEW AND SCRUTINY COMMISSION – 11 FEBRUARY 2010

PROVIDED AS SUPPORTING INFORMATION TO APPENDIX 2 (i) and APPENDIX 2(ii)

Scrutiny of the Revenue Budget 2010-11 - additional information requested by scrutiny panels

Corporate Capacity Scrutiny Panel: 04 February 2010

Reference	Specific Proposal	Additional information requested
CS53,54,58,59,60	Various proposals for deletion of posts in Revenues and Benefits	The Panel asked for information about the LEAN work underpinning these proposals to be made available to the meeting of the Commission on 11 February.

Response:

CS 53 Delete 1 Benefits Training / Policy Officer

The training activity has been selected for reduction of 1 post to reflect the move from face to face training to on line training. Within a benefits environment, it is extremely important to keep up to date with new legislation and initiatives, however many of these new changes are accompanied by on-line training and the change in training delivery is reflecting the current trend in the market place. The current role of the training officer is associated with detected errors and their correction and the correction of the misunderstanding which led to them in the first place. The "LEAN" process embeds a "get it right first time" and an eradication of errors culture, thereby reducing the requirement for this type of activity.

CS54 Delete 1 Senior Benefits Officer

CS59 Delete 1 Benefits Officer

CS60 (part) Delete 0.57 FTE Benefits

These posts can be considered as similar as they all impact directly on the customer facing service of Housing Benefits, This service is by its very nature regarded as a service to vulnerable clients through all walks of life. Every claimant has some level of vulnerability and the prospect of losing their accommodation is evidence of that.

This section has been subject to an extensive "LEAN" review. There are 32 customer facing staff and this reduction represents about 8%. The LEAN team have been reviewing the operational activities of the Housing Benefits and Council tax sections since early January and have documented the flow of information and their accompanying processes. They have a number of preliminary conclusions, some of which are relatively easy to implement and

others which require a degree of testing. Examples of quick wins include reviewing the claim form and adding a checklist, removing the call holding facility on external calls, thereby reducing aborted calls and the need for further correspondence. The most significant change that is to be trialled in two to three weeks on a test team in the Link is to change the method of claims processing from all correspondence dealt with as and when it appears by any officer, to all correspondence relating to a particular claim to be dealt with by the same individual. It is envisaged by the LEAN team that this will reduce claim churning and potential error levels. The LEAN process also includes changes to monitoring regimes, designed to improve performance and reduce errors and these are still being considered. A separate initiative is the introduction of an online claim form due to be introduced imminently.

The reduction in posts proposed will be supported by these changes in working practice and the level of service provided will, as always, be closely monitored.

CS58 Delete 1.5 Revenues Officers

The case for the removal of these posts is similar to that for CS54, CS59 and CS60 above. For example, the LEAN process has identified that work is being pushed to Revenues Officers rather than being pulled by them. That is to say it is being allocated by senior officers rather than being drawn by those people actually doing the work activity. In addition, the phone routing system is being reviewed to enable more phone processing, particularly for enquiries and information, Direct Debit take up is also being targeted as part of a London wide scheme. It is not envisaged that the Collection rate will fall as a result of the loss of these posts.

CS 60 (part) Delete 0.09 FTE Systems Officer

These posts are technical support and training posts from a section of 15 posts covering a range of activities. The reduced level of work required from this section can be correlated to the stability of the Housing Benefit and Council Tax computer system (IBS Civica). Since, it's implementation in January 2007, the level of system understanding has increased and diversified to the extent that the volume of support currently available is no longer required. Ad hoc reporting has to a significant extent been superseded by additional modules to the core software product. The resources associated with the loss of this post are minimal.

Corporate Capacity Scrutiny Panel: 4 February 2010

Reference	Specific Proposal	Additional information requested
CEG1	<i>Chief Executives – to support the delivery of the Transformation Programme across the authority</i>	The Panel expressed concern that a growth item of this magnitude (£500,000) lacked detail on how the monies would be spent. Explanation was provided at the meeting. The Panel asked for detailed information to be provided to the meeting of the Commission on 11 February.

Response:

The £500k costs for transformation comprise the following identified spend in FY2010/11:

- Lean project (consultants and backfill for lean Champions) - £317k
- Head of Procurement - £91k
- Programme office and support to projects (programme support officer, part time project manager for support services model implementation and part time support to one other (as yet unspecified project)) – £92k

Sustainable Communities Scrutiny Panel: 10 February 2010

Reference	Specific Proposal	Additional Information Requested
ER79 and page 212 (Appendix 9) of Budget update	Merge Network Improvement and Renewal teams (traffic and parking) reducing one manager's post and one engineer post.	Caroline Holland to provide more information about the parking control budget.

Response:

See table overleaf

APPENDIX 2 (i)

<u>2006/07</u>	<u>2007/08</u>		<u>2008/09</u>	ESTIMATE <u>2009/10</u>	ESTIMATE <u>2010/11</u>
£	£		£	£	£
		<u>INCOME</u>			
(2,354,119)	(2,940,020)	Penalty Charge Notices	(2,603,979)	(2,880,000)	(3,065,000)
(678,994)	(757,421)	Residents' Parking Permits	(786,958)	(924,800)	(924,800)
(399,035)	(458,648)	Residents' Visitors' Parking Permits	(519,673)	(632,000)	(632,000)
(176,066)	(201,030)	Business Parking Permits	(214,256)	(304,000)	(304,000)
(1,705,737)	(1,864,273)	On-Street Parking Charges	(2,019,979)	(2,402,000)	(2,413,000)
(4,492)	(42,638)	Other Income	(44,795)	(44,000)	(53,000)
(5,318,442)	(6,264,029)	TOTAL INCOME	(6,189,640)	(7,186,800)	(7,391,800)
		<u>EXPENDITURE</u>			
895,292	1,092,068	On-Street Parking	931,395	1,037,540	979,688
568,403	465,618	Off-Street Parking Spaces	4,056,666	151,320	153,590
476,159	514,658	Parking Management & Planning	449,905	482,265	467,499
525,968	525,024	Parking enforcement	591,980	517,076	477,832
2,852,622	3,666,661	Public Transport	159,694	4,998,599	5,313,191
5,318,442	6,264,029	TOTAL EXPENDITURE	6,189,640	7,186,800	7,391,800
0	0	Control Total	0	0	0
		<u>MEMORANDUM ITEMS</u>			
		Total Expenditure on:			
5,470,861	5,888,534	Concessionary fares (C&H) (W5AA00)	5,458,042	5,074,520	5,150,638
1,656,049	2,145,317	Carriageway & Footway Maintenance (G0012)	1,452,074	1,457,220	1,477,670

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Agenda Item – Appendix 3

Scrutiny of the Budget 2010/2011

References/Comments from Scrutiny Panels (2-10 February 2010) & Overview & Scrutiny Commission (11 February 2010)

Children and Young People Overview and Scrutiny Panel: 02 February 2010:-

Budget Reference	Specific proposal	Scrutiny response	Proposed Cabinet Feedback
CSF28	LAC, Permancy and Placements – deletion of one practitioner post in the 16 plus team.	<p><u>Panel Response</u> The Panel expressed concern about the impact that this would have on care leavers. Although some reassurance was provided by the Director and Cabinet Member, the Panel asked that the impact of this measure be monitored.</p>	Cabinet notes the concerns of the Children and Young People Overview and Scrutiny Panel. Officers within the CSF Department are reviewing all adolescent support work including that provided to care leavers as part of the corporate transformation project. The impact of this saving upon the client group will be closely monitored by Officers throughout the transformation project and any adverse effects identified, will be reported to the lead member and Cabinet.
CSF29	Youth and Inclusion – reduce volunteer funding to volunteer project	<p><u>Panel Response</u> The Panel expressed concern about the impact this may have on vulnerable young people who will no longer be supported in volunteering activity.</p>	Cabinet notes the concern of the Children and Young People Overview and Scrutiny Panel. After careful consideration Cabinet has decided to withdraw this saving.

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		<p style="text-align: center;"><u>Commission Response</u></p> <p>The Commission note the concerns of the Panel and welcomed the withdrawal of the proposal. (see paragraph 3.11 of the Commission’s report to 22 February Cabinet)</p>	
<p>Growth CSF1</p>	<p><i>Increases in budgets in Children’s Social Care in response to volume pressures</i></p>	<p>Panel Response</p> <p>The Panel questioned whether this level of growth would be sufficient to meet cost pressures. The Director explained that there is a level of uncertainty around this and that spend would be closely monitored so that real ongoing costs could be clearly identified in due course. Councillors Pearce, Akyigina and Martin and co-opted members Andrew Boxall and Ravi Kurup suggested that the base budget should be increased to prevent future overspends in this area, and asked for their concern to be recorded.</p>	<p>Cabinet have considered the requirement for growth in this area carefully . Demand for Children’s Social Care has been volatile since the Baby Peter case with a significant increase in demand during late 2008 and throughout 2009. In recent months activity has stabilised but it remains a challenge to accurately assess ongoing future needs given this volatility. With higher numbers of children in the system, with the ensuing increased placement costs and the need for additional staff to maintain safe services there continues to be pressure on budgets. Work is currently in hand to ensure that the procurement of placements provides best value and that permanent appointments are made to reduce the cost of agency staff. In this context the growth figure is considered reasonable. Service demand is being closely monitored by the Director and regular reports provided to the lead member. The</p>

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				<p>Council retains a corporate contingency provision and if it is necessary to draw upon the contingency to make any adjustments to these budgets this will be considered as and when necessary by Cabinet.</p>
CSF2	<p><i>Special Educational Needs Transport</i></p>	<p><u>Panel Response</u> The Panel noted the forthcoming scrutiny review of Merton Transport by the Healthier Communities and Older people Panel. The Panel felt that it would be inappropriate to comment on the growth proposals before the review's recommendations are known.</p>		<p>Cabinet recognises the value that a review by the Healthier Communities and Older people Panel of Special Educational Needs Transport will provide. A review of the latest demand projections for the client group in 2010-11 shows that some growth in this budget is necessary pending the longer term review.</p>

Corporate Capacity Scrutiny Panel: 04 February 2010:-

Budget Reference	Specific proposal	Scrutiny response	Proposed Cabinet Feedback
CE12	<p><i>Policy Partnerships and Performance – delete 1 FTE Diversity and Community Cohesion Officer</i></p>	<p><u>Panel Response</u> The Panel expressed concerns about the impact that this proposal would have on diversity and community cohesion work and voted in favour of deleting this saving, with the casting vote of the Chair.</p> <p><u>Commission Response</u> The Overview and Scrutiny Commission had further discussion of this item at its meeting on 11 February and voted to retain the proposed saving (see paragraph 3.10 of the Commission's report to 22 February Cabinet)</p>	<p>Cabinet notes the concerns of the Panel but shares the view of the Commission that a wider restructure of service delivery as part of the transformation project will change and improve the way in which this service is delivered. The restructured Policies, Partnerships and Communities Team will mainstream Diversity and Community Cohesion within each Service Department. This will ensure that advice and support is embedded and integrated more</p>

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				<p>closely with the delivery of the service leading to better outcomes.</p>
CS53,54,58,59,60	<p><i>Various proposals for deletion of posts in Revenues and Benefits</i></p>	<p><u>Panel Response</u> The Panel asked a number of questions regarding the impact of these proposals and established that these are driven by different ways of working currently being developed through LEAN work. The Panel asked for information about the LEAN work to be made available to the meeting of the Commission on 11 February. The Panel requested a detailed report to one of its future meetings, setting out the LEAN proposals and likely impact.</p>	<p>Cabinet notes the questions raised by the Panel. Additional information was provided as Appendix 1 to the Overview and Scrutiny Commission (11/02/10) and this is included within Appendix 2(i) of this report. A detailed report on the Council's LEAN proposals will be provided to a future meeting of the Corporate Capacity Overview and Scrutiny Panel</p>	
CS65	<p><i>Corporate – reduced agency margins following renegotiation of Merton’s contract with Hays</i></p>	<p><u>Panel Response</u> The Panel welcomed the achievement of reduced costs on this agency work contract.</p>	<p>Cabinet notes the positive response from the Corporate Capacity Overview and Scrutiny Panel in relation to this proposed saving.</p>	
Growth CEG1	<p><i>Chief Executives – to support the delivery of the Transformation Programme across the authority</i></p>	<p><u>Panel Response</u> The Panel expressed concern that a growth item of this magnitude (£500,000) lacked detail on how the monies would be spent. Explanation was provided at the meeting. The Panel asked for detailed information to be provided to the meeting of the Commission on 11</p>	<p>Cabinet notes the concerns of the panel. Additional information was provided as Appendix 1 to the Overview and Scrutiny Commission (11/02/10) – included within Appendix 2(i) of this report.</p>	

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		<p>February. The Panel asked for an update on this area of spend to be included in future budget monitoring reports. The Panel also asked for a report on the cost and achievements of the Transformation Programme to come to a future meeting.</p>	<p>Officers will include in future budget monitoring reports a regular update on the Transformation Programme.</p> <p>A report to the panel will be provided on the costs and benefits of the Transformation Programme at a future date.</p> <p>Further information has been provided to Cabinet and Council to aid their decision making in the detailed information on growth.</p>
CSG4	<p><i>IT Services – to provide a disaster recovery service from an off-site centre</i></p>	<p><u>Commission Response</u> The Commission requested that further information on this item, in addition to that provided in Appendix 1, be presented to Cabinet and subsequently to council to inform their decision making</p> <p><u>Panel Response</u> The Panel welcomed this growth item and referred to its previous discussions on this subject.</p>	<p>Cabinet notes the positive response from the Corporate Capacity Overview and Scrutiny Panel.</p>

Corporate Capacity comments on budget summaries in Appendix 9 :

- Chief Exec's office (page 189) – salary data exposes individual member of staff. Panel requested that this be presented differently in future.
- Corporate Management (page 200) – Panel queried figure for employee cost given that there are no staff. Panel requested that this be clarified.

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Healthier Communities and Older People Overview and Scrutiny Panel: 09 February 2010 :-

Budget Reference	Specific savings proposal	Scrutiny response	Proposed Cabinet Feedback
CC20	<i>Reduction in voluntary Sector Grants</i>	<u>Panel Response</u> The Panel strongly welcomed the deletion of this saving from the budget for 2010/11, as advised by the Cabinet Member for Adult Care Services and Health at the meeting.	Cabinet after careful consideration has decided to withdraw the reduction in voluntary sector grants of £40,000.
CC23	<i>Re-provide in-house home care service through external providers and reduce the home care working providing only a reablement service</i>	<u>Panel Response</u> Some concerns were expressed about possible impact of this saving on the effectiveness of the reablement service. The Panel also expressed the importance of ensuring the service was available to everyone who needed it and that it should not be too rigid in terms of the time limits of 6-8 weeks.	Cabinet notes the concern of the Panel. This saving comes as a result of re-providing in-house homecare services through more cost-effective external providers with a reduced cost to the Council. It is not aimed at reducing the level of service provision within the current Reablement service.
CC34	<i>Access & Assessment – Review of Access and Assessment section structure</i>	<u>Panel Response</u> Members expressed unease about the loss of 4 posts in the proposed new structure. The Panel resolved 'to accept this saving but to ask for it to be reviewed in approximately 6-9 months' time, to look at the possible implications. Therefore, if the service is not being provided to its usual high standard, then steps should be taken to look at the whole budget to investigate other areas where services could be withdrawn, in order to restore those currently being provided at CC34.'	Cabinet notes the comments of the Panel. Service quality will be closely monitored by the Director and regular reports provided to the lead member. If any difficulties arise these will be reported to Cabinet. Officers will undertake a post implementation review of the service in 6-9 months time.

General comments made relating to proposed budget savings:-

- The Panel was concerned that the Council maintained its ability to influence quality of care provided and that fee reductions were not allowed to become the sole consideration in service commissioning.
- There was also concern that staffing reductions should not affect assessment times.
- The panel was also concerned that, given the ongoing growth in demand for services, that the deliverability risk of this part of the budget could affect the deliverability risk of the whole budget.

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- Attention was drawn to the risk matrix relating to the Panel's remit. Concern was expressed that a considerable number of the budget savings involve negotiations with external providers, which is a risky strategy in terms of deliverability, as they are fundamentally run as commercial enterprises.

Sustainable Communities Overview and Scrutiny Panel: 10 February 2010:-

Budget Reference	Specific proposal	Scrutiny response
	The Sustainable Communities Panel note the Budget Update 2010/11 and thanks all officers involved for their hard work.	

Overview and Scrutiny Commission: 11 February 2010:-

Budget Reference	Specific proposal	Scrutiny response	Proposed Cabinet Feedback
ER50	Traffic and Highway Services - income generation from crossover applications	Commission Response The Commission noted that the administration charge for crossover applications is currently listed as £75 on the Council's website and is given as £150 in this saving item, The Commission requested that all the figures relating to this saving item be checked and verified.	The Council's website does not specify the administration charge for a crossover, which is currently £150. The figure of £75 relates to the deposit for a standard vehicle crossover. Officers have reviewed the latest information on application numbers and are confident that the saving can be achieved."
CE14	Policy, Partnerships and Performance – Deletion 1 FTE Scrutiny Officer	Commission Response Commission members expressed some concern about the impact that this might have on the level of scrutiny activity. The	Cabinet notes the concern of the Commission and different ways of working identified by members of the Commission which could mitigate the impact of the saving. The Cabinet and

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<p>Officers would welcome the opportunity to work with Commission members to implement any workable proposals.</p>			
<p>Cabinet notes the comments of the Overview and Scrutiny Commission</p>	<p>Commission requested that the cabinet engage with the Chair and Vice Chair of the Commission to identify ad-hoc and other means of supporting the Scrutiny team</p>	<p>Corporate Growth</p>	
	<p>The Commission discussed Cabinet Members aspirations to use £1.1m of the £1.5 m corporate growth to fund a 1.4% reduction in Merton's element of the 2010/11 Council Tax.</p> <p>The Commission noted with regret that this matter had been drawn to its attention via the Press rather than through the scrutiny process.</p>		

Scrutiny of the Capital Programme 2009/2013

References/Comments from Scrutiny Panels to Overview & Scrutiny Commission 11 February 2010
Children and Young People Overview and Scrutiny Panel: 02 February 2010:-

Scheme description	Scrutiny response	Proposed Cabinet Feedback
Regeneration of former Eastfields Youth Centre	Panel Response The Panel requested that this scheme be given a more accurate description.	This description has been changed to “Intergenerational Centre”.

Corporate Capacity Scrutiny Panel: 04 February 2010:-

Scheme description	Scrutiny response	Proposed Cabinet Feedback
Redundancy payments	Panel Response The Panel noted that the capitalisation of redundancy payments is subject to agreement by DCLG – as discussed at previous Panel meeting.	The agreement by DCLG of the capitalisation of redundancy payments in 2009/10 has now been received up to a limit of £1.255m. The amount included in the draft capital programme for 2009/10 is £1.000m.
Transformation (IT)	In response to questions, the Panel received some explanation of the £5m spending planned over the next three years and possible additional spending beyond 2012/13 to cover the IT and other capital costs of the Transformation programme. The Panel expressed some concern over the lack of detail available at present and noted that business cases are expected to be firmed up during summer 2010.	Officers are working up proposals to develop the Transformation Programme as a whole, as reported to Cabinet on 14 December 2009. It is anticipated that the outcomes of this work should enable a programme of work to be identified which will then be a call against this allocation.

Healthier Communities and Older People Overview and Scrutiny Panel: 09 February 2010 :-

Scheme description	Scrutiny response
No comments on Capital Programme	

Sustainable Communities Overview and Scrutiny Panel: 10 February 2010:-

Scheme description	Scrutiny response
The Sustainable Communities Panel noted the Capital Programme.	

Local Government Finance Settlement 2010/11

The financial projections in the last report to Cabinet were based on Merton's formula grant as announced in the provisional Local Government Finance Settlement on 26th November 2009.

The final Local Government Finance Settlement was announced on 20th January 2010.

Formula Grant

The final Formula Grant figures were published on 20th January 2010 and confirmed those included in the provisional Settlement as reported to Cabinet on 14th December 2009.

The total level of Aggregate External Finance (AEF) the Government provides to local authorities will increase by 4.0% in 2010/11. AEF is the total level of revenue support the Government provides to local authorities for their core functions. This support is made up of Revenue Support Grant, police grant, area based grant, specific grants and the amount distributed from business rates. Boroughs' formula grant figures for 2010/11 have not changed since January 2008.

As indicated previously, Merton's funding is at the "floor", the minimum available along with 23 other London boroughs. The position is summarised in the following table:-

Change in Formula Grant %	2010/11
Merton	1.5%
London boroughs	1.8%
London inc. GLA	2.0%
England	2.6%

Therefore, Merton's formula grant for 2010/11 included within the MTFS is as follows:-

Formula Grant	2010/11 £m
Merton	67.733

The increase in formula grant is significantly less than the inflationary impact on Merton's costs as demonstrated in the following table:-

	Adjusted 2009/10	2010/11	Change
	£m	£m	£m
Increase in Formula Grant	66.732	67.733	1.001
Inflation			4.059
Shortfall			3.058

For the purposes of the MTFS, Merton's formula grant for 2011/12 and 2012/13 is assumed to be at the same level as for 2010/11. i.e. zero increase. There is a large level of uncertainty over the level of funding that will be available to local government over the period of the next MTFS due to the ongoing impact of the recession. There will not be a spending review until after the General Election which has to be held by 3rd June 2010 at the latest.

When announcing the Final Settlement on 20th January 2010, the Parliamentary Under Secretary of State (Barbara Follett) also said: "I am also putting all authorities on notice that the Government will not hesitate to cap any excessive council tax increases set by individual authorities in 2010-11 and that it would be a mistake for any authority to presume they will not be capped if they stay within the capping principles which applied in 2009-10. We have already initiated capping action against three police authorities in advance for 2010-11 to limit their council tax increases to around 3%. No other decisions have been taken on capping for 2010-11, but we have made clear that we expect the average Band D council tax increase in England to fall to a 16 year low. The Government has maintained the three-year settlement in challenging economic circumstances and there can be no excuse for any authority setting an excessive council tax increase in 2010-11."

THE COLLECTION FUND**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, on behalf of those bodies for which the income has been raised. These bodies 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).
- 1.2 The Council's demand on the Collection Fund is by its General Fund. The Greater London Authority's demand is expressed as a precept.
- 1.3 Any surplus or deficit on the Collection Fund is shared between, or charged to, the Council and its preceptors in proportion to their demands upon the Collection Fund.
- 1.4 The Collection Fund also accounts for National Non-Domestic Rates, which it receives from businesses and pays into a national pool that is administered by the Government. These transactions have no overall effect on the balance on the Collection Fund.

2. The Council Tax Base

- 2.1 The basic data used to compile the Council Tax base is provided by the District Valuer, which is part of the Inland Revenue service. The data for 2010/2011 is collected and presented to this Authority as at 5th October 2009. This raw data is adjusted to reflect -
- a) Properties, which are exempt from Council Tax;
 - b) Properties where there is a reduction by virtue of relief for persons with disabilities;
 - c) Dwellings entitled to the single persons discount;
 - d) An estimate of net additional new properties likely to be added to the Valuation List during 2010/2011, and;
 - e) A reduction to reflect anticipated losses on collection.
- 2.2 The adjusted property list is converted to the equivalent of Band D properties by applying a factor, which expresses the relationship between Band D and all other bands (for example if Band D is equal to 1, properties in Band A represent six-ninths of Band D and properties in Band H are reflected as 2 x Band D).

- 2.3 In 2009/10, the total properties before adjustment amounted to 79,697, which converted to a tax base of 73,027. In 2010/11, the total number of dwellings on the Valuation List before adjustment amounts to 80,325, which converts to a tax base of 74,250.1.
- 2.4 The table below shows the analysis of the tax base for 2010/11 and its comparison with 2009/10 analysed over Bands A – H.

Bands	Council Tax Base 2009/10	Council Tax Base 2010/11
Band A	568.2	578.7
Band B	4,986.3	5,058.9
Band C	15,517.6	15,848.6
Band D	23,374.4	23,823.0
Band E	13,936.6	14,083.6
Band F	6,169.6	6,265.6
Band G	5,764.3	5,830.7
Band H	2,710.0	2,761.0
Total	73,027.0	74,250.1

3. Non-Domestic Ratepayers (Uniform Business Rate - NNDR)
- 3.1 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.
- 3.2 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.
- 3.3 The estimated gross amount due from non-domestic ratepayers in 2010/11 is £75.154m. This figure is then reduced by discretionary rate relief and allowances for losses on, and costs of collection.

The Council decides the total amount of approved discretionary rate relief in each financial year. A proportion of that relief is used to reduce the Council's contribution to the national pool and the rest is charged to the General Fund. The respective shares are set by Government Regulation.

In 2010/11, the estimated amount of discretionary rate relief used to reduce the contribution to the Business Rates pool is £0.165m.

- 3.6 The allowances for expected losses on collection of £0.975m and for the costs of collection, £0.293m are both calculated in accordance with Government Regulations.
- 3.7 The effect of the discretionary rate relief (£0.165m) and the allowance for losses and costs of collection (£1.268m) is to reduce the net amount payable to the national pool to £73,721m. The sum to be received from the National Pool will be £59.145m.

The uniform business rate poundage for 2010/11 has been set by the Government at 40.7 pence in the pound for small properties (defined as those with a rateable value under £25,500 in London or under £18,000 outside London). For properties with a rateable value of £25,500 or over in London or £18,000 outside London, the rate poundage has been set at 41.4 pence in the pound.

As part of the Council's commitment to maintaining and developing links with local businesses, a consultation meeting will take place in February 2010, via local business representative organisations. The aim of this meeting is to explain the changes that are taking place in non-domestic rating, budgetary pressures that are being faced, and the Council's Budget proposals for 2010/11.

4. Collection Fund Surplus/Deficit

- 4.1 The Collection Fund provides the mechanism by which the collection of local taxes is controlled. Council Tax levies are set so as to recover the precepts (net of Government Funding) charged to the account. However, during the course of any particular year if the actual number of properties or the allowance for exemptions, discounts or appeals vary from those used in the Council Tax Base, a surplus or deficit will arise. Hence, the actual pool contribution will differ from that estimated. Merton's share of any surplus or deficit is used to offset or increase its council tax.
- 4.2 To ensure that proper provisions are made within the Collection Fund calculations a provision for bad debts is made. It is for each authority to determine its own policy for providing for bad debts and assessing the likely outcome of appeals, based upon the evidence of local patterns of collection and the likelihood of making a recovery.

5. Precepts

The Greater London Assembly have agreed the final budget proposals outlining the 2010/11 budgets for the Greater London Authority and the four functional bodies on 11th February 2010.

APPENDIX 5

SUMMARY OF CORPORATE AND TECHNICAL ADJUSTMENTS IN THE MTFS

<u>TECHNICAL & CORPORATE ADJUSTMENTS:</u>	Non-Schools	Non-Schools	Non- Schools
	2010/11	2011/12	2012/13
	£m	£m	£m
Inflation	4.641	6.764	6.164
Borrowing, Investment & Debt Management Strategy	2.674	2.500	2.500
Collection Fund	(1.119)	1.314	0.473
Waste Management Strategy	0.996	0.776	0.776
Reduction in income arising from P3/P4 & Land Charges	0.470	0.200	0.200
Contracts & Legislative requirements	0.050	0.000	0.000
Grants transferred into Formula Grant from specific grant	(0.019)	0.000	0.000
Use of Section 117	0.741	0.000	0.000
VAT	(0.650)	1.000	0.000
Invest to Save – Office Accommodation closure	(0.050)	0.000	0.000
LABGI	1.106	0.000	0.000
Implications of Housing Stock Transfer	0.550	0.000	0.000
Increase in contingency to meet increased risks and pressures	0.900	0.000	0.000
Single Status – release of provision	(2.000)	0.000	0.000
Census	0.050	0.000	(0.050)
Land Charges income and impact of European Union Directive	0.600		
Assumed increased in Council Tax Base	0.000	(0.400)	(0.400)
Potential increase in cost of DR recovery Centre	0.070	0.000	0.000
Corporate and Technical Adjustments	9.010	12.154	9.663

Savings 2010/11 - All Departments

Cabinet 22nd February 2010

CABINET 22nd February 2010

SUMMARY OF 2010/11 RISKS

DELIVERABILITY RISK	High	1.42% (0.0% 2009/10)	10.07% (11.27% 2009/10)	0.43% (3.30% 2009/10)
	Medium	9.09% (4.90% 2009/10)	27.13% (32.94% 2009/10)	2.79% (8.13% 2009/10)
	Low	28.83% (23.07% 2009/10)	16.97% (9.61% 2009/10)	3.26% (6.78% 2009/10)
		Low	Medium	High
		REPUTATIONAL RISK		

SAVINGS ANALYSIS FOR CABINET 22nd February 2010

		2010/11	2011/12	2012/13
		£000	£000	£000
SI1	Income: increase in current level of charges	690	5	0
SI2	Income: increase arising from expansion of existing service/new service	438	153	167
SS1	Staffing: reduction in costs due to efficiency	3,771	-2	0
SS2	Staffing: reduction in costs due to deletion/reduction in service	2,348	54	0
SNS1	Non - Staffing: reduction in costs due to efficiency	342	0	0
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service	1,333	-250	0
SP1	Procurement / Third Party arrangements - efficiency	2,691	5	0
SG1	Grants: Existing service funded by new grant	60	0	0
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant	39	0	0
SPROP	Reduction in Property related costs	26	0	0
		11,738	-35	167

DEPARTMENT: CHIEF EXECUTIVE'S SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CE1	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Policy, Partnerships and Performance</u> Reduction in general non-staffing budgets Reduction in non-staffing budget includes deletion of part or all of the following budgets. This will involve a reduction in budgets for design & printing, training, and refreshments.</p> <p>None</p> <p>None</p> <p>None</p> <p>Not providing printed documents will make these less accessible to those without access to computers but reference copies will be available in libraries and large print, Braille, translated documents will still available on request.</p>	1,506	24			Low	Low	SNS2
CC	CE2	<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><u>Policy, Partnerships and Performance</u> Deletion of 0.2 FTE Performance and Business Improvement Officer</p> <p>None</p> <p>This is the vacant part of a part time post.</p> <p>None</p> <p>None</p> <p>Limited in terms of service delivery</p>	1,506	9			Low	Low	SS2
CC	CE3	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Policy, Partnerships and Performance</u> Reduction the Council contribution to the LSP joint budget It is not possible to put forward specific figures for reductions at this point as the options will need to be explored with the partnership. However there is scope to make savings in this area. There are options for reducing the contribution and these will need to be discussed with the Partnership. These savings could be achieved by seeking greater contribution from other partners or by reducing the overall size of the LSP joint budget.</p> <p>None</p> <p>Does not relate directly to specific business plan priorities</p> <p>None - other than through thematic partnerships where there maybe less/no engagement from CEN representatives.</p> <p>Part of this grant pays for hosting of the Community Engagement Network by MVSC. This network provides a community voice on the central bodies of the Merton partnership.</p>	38	10			Medium	Medium	SNS2

DEPARTMENT: CHIEF EXECUTIVE'S SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
OSC	CE4	<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><u>Policy, Partnerships and Performance</u> Reduce the Scrutiny Support Fund to give a total fund of £10,000 This fund is intended to support scrutiny by funding site visits, public meetings, research, publicity, consultation, etc. This fund has consistently underspent and it is anticipated that a retained fund of £10k should enable the scrutiny function to continue to carry out this work.</p> <p>None</p> <p>The BP includes a target around members' satisfaction with the scrutiny function. The BP also includes a target around the number of members of the public involved in the work of the overview and scrutiny. These targets have been met or exceeded for the last two years.</p> <p>None</p> <p>The saving would not result in a reduced level of service and, therefore, would not impact upon equalities.</p>	27	16			Low	Low	SNS2
CC	CE5	<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><u>Policy, Partnerships and Performance</u> Loss of staff - 0.9 FTE post - Policy and Partnerships Officer The reduction in staff will have a limited impact on current services. 0.5 FTE of a post has been held vacant for sometime and 0.4 FTE comes from the reduction of hours of an employee returning from maternity leave and the work programme has been adjusted to take account of the reduced staffing level. Loss of 0.5 post (this post is currently vacant and has been for over a year) and 0.4 is the vacant part of a post No specific impact</p> <p>There will be a reduction in the advice and assistance available to departments There is limited impact.</p>	1,506	44			Low	Medium	SS2

DEPARTMENT: CHIEF EXECUTIVE'S SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CE6	<p>Service Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p> <p>Policy, Partnerships and Performance Loss of staff - 1 FTE post Policy and Partnerships Manager The proposal is to disband the Policy and Partnerships Team and to transfer the remaining 2.6 FTE generic Policy and Performance Officer posts into the Stronger Communities Team where they will continue the role they are currently undertaking. Loss of the post will lead to a loss of knowledge and capacity in this area. One redundancy</p> <p>Does not relate directly to specific business plan priorities although the post leads on the production of the plan None None None</p>	1,506	62			Medium	Medium	SS2
CC	CE7	<p>Service Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p> <p>Communications Reduce My Merton to a quarterly magazine. Residents would receive information about the council on a less frequent basis - 4 times a year as opposed to 6. There would be a reduction in the number of hours required to research and write for the magazine within the comms team. Possible reduction in the percentage of residents who feel that the council keeps residents informed about what they're doing. Reduced frequency of information and publicity about improvements and changes to services Less frequent information but the Council will continue to follow its equalities approach. There may be some reduced information for certain vulnerable groups.</p>	354	36			Medium	Medium	SNS2
CC	CE8	<p>Service Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p> <p>Communications Delete 1 FTE Communications Assistant post There will be a reduction in communications service delivery including the number of communication channels sustained. The remaining workload will be shared within the remaining team members. Possible reduction in the percentage of residents who feel that the council keeps residents informed about what they're doing. Reduced frequency of information and publicity about improvements and changes to services Council communications will continue to comply with Council equalities policies.</p>	354	24			Medium	Medium	SS2

DEPARTMENT: CHIEF EXECUTIVE'S SAVINGS: 2010-2013

Panel	Ref	Description of Saving				Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CE9	<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>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>Communications</p> <p>Delete 1 FTE Communications Officer. This post could be internal or external communications. There will be a reduction in communications service delivery including the number of communication channels sustained. The remaining workload will be shared within the remaining team members. Possible reduction in the percentage of residents who feel that the council keeps residents informed about what they're doing. Reduced frequency of information and publicity about improvements and changes to services Council communications will continue to comply with Council equalities policies.</p>	354	32			Medium	Medium	SS2		
CC	CE10	<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>Communications</p> <p>Delete 1 FTE publications officer from 30 September 2010 The Publications Officer post will be released at the 30th September 2010, at the end of the fixed term contract, after delivery of the £90,000 savings. The fixed term contract would not be renewed, and the post will be deleted. None Departments would lose a full time person to advise on procuring publications material. None</p>	354	16	16		Medium	Medium	SS2		
CC	CE11	<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>Communications</p> <p>Reduce non staff costs: reduce training, recruitment and translation service The reduction in staff will reduce the need for non staffing budgets. It will be necessary to prioritise the reduced budgets to minimise the impact of the saving. None None None None</p>	354	8			Medium	Medium	SNS1		

DEPARTMENT: CHIEF EXECUTIVE'S SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CE12	<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>	1,506	49			Low	Medium	SS2
		<p><u>Policy, Partnerships, and Performance</u></p> <p>Delete 1 FTE Diversity and Community Cohesion Officer</p> <p>Would result in a 50% reduction in the capacity of the Diversity and Community Cohesion Team to undertake research, develop policy, provide support to officers and advise on legislation and best practice in diversity and community cohesion issues borough wide.</p> <p>The officer has applied for voluntary redundancy as part of the workforce reduction programme</p> <p>The BP includes a number of community cohesions and diversity/ equality targets and this post supports services across the council to improve the way in which equalities and cohesion implications are building into service design and review. Deleting this post may have an impact on the extent to which these considerations are taken into account and appropriate action is taken in response to complaints of discrimination and inequality.</p> <p>Officers in other departments will receive less support from the corporate centre and may have to take a greater role in undertaking research on equalities/ cohesion issues to identify appropriate good practice and solutions to problems.</p> <p>Reduced capacity in the team will have an impact the extent to which there is corporate leadership with regard to cohesion and equalities policy across the council, which undoubtedly will have an impact on work to consider equalities implications in service delivery and design.</p>							
CC	CE13	<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>	586	20			Medium	Medium	SNS2
		<p>Chief Executive's Office</p> <p>Review the cost of Internal Communications channels and events to ensure getting the best value for money but still providing the same service. Review the format of the Staff Excellence Awards and seek further sponsorship to cover costs, distribute Xchange electronically and provide printed versions to staff without access to the intranet, review format of the staff roadshows and seek further sponsorship to cover costs.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>							

DEPARTMENT: CHIEF EXECUTIVE'S SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
OSC	CE14	Service Description	Policy, Partnerships and Performance Delete 1 FTE Scrutiny Officer post		49			Low	Medium	SS2	
		Service Implication	The capacity of the team to support the management of the scrutiny panels' workload, carry out research/ policy work and develop the scrutiny function further would be reduced by 25% . This would also impact on the team's ability to carry out relationship building, developmental work, horizon scanning and promoting good practice.								
		Staffing Implications	The team is currently carrying a 1.4 FTE vacancy and the officer in the 0.6 FTE post has applied for voluntary redundancy, so there would be no compulsory redundancies								
		Business Plan implications	Deleting this post may have an impact on members' satisfaction and the number of members of the public involved in scrutiny due to reduced capacity for support.								
		Impact on other departments	Officers in other departments may have to be relied upon to carry out research/ write briefing papers for scrutiny members should the scrutiny team not have the capacity to do this.								
		Equalities Implications	Reduced capacity in the team could impact on work to include a wide range of residents (including those from 'hard to reach', BME, disabled, vulnerable groups) are involved in overview and scrutiny.								
OSC	CE15	Service Description	Policy, Partnerships and Performance Delete budget released through staffing restructures (overtime and other employee costs) over the course of 2009/10		17			Low	Low	SS1	
		Service Implication	None - as service changes have been assessed and implemented as part of restructure process								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
Total Chief Executive's Department Savings for 2010-2013					416	16	0				

DEPARTMENT : CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS1	<p>Service Description Delete vacant audit manager post and procure £58,000 of specialist internal audit work.</p> <p>Service Implication This reduction in staffing would reduce the audit plan by 30 audit days. Audit frequency would reduce in all audit areas of activity. The resources available would be used to commission internal audit reviews from external providers for specialist high level reviews.</p> <p>Staffing Implications This proposal will involve 1 vacant post.</p> <p>Business Plan implications The Audit Commission place reliance on Internal Audit's work. There is a managed audit arrangement with the Audit Commission where they expect key systems to be covered. If this work is reduced, the Audit Commission may carry out additional work themselves, at a higher cost to the council. It will be necessary to re-prioritise work within the audit plan to ensure that key audit requirements are met.</p> <p>Impact on other departments Managers in the departments depend on Internal Audit to provide a level of assurance for the controls in place. Where new systems are introduced into the council, input is always requested from internal audit.</p> <p>Equalities Implications None.</p>	535	11			Medium	Medium	SS2
CC	CS2	<p>Service Description Delete a principal / manager post</p> <p>Service Implication This reduction in staffing would reduce the audit plan by 190 audit days which is a 10% reduction in the audit plan. Audit frequency would reduce in all audit areas of activity.</p> <p>Staffing Implications One redundancy</p> <p>Business Plan implications The Audit Commission place reliance on Internal Audit's work. There is a managed audit arrangement with the Audit Commission where they expect key systems to be covered. If this work is reduced, the Audit Commission may carry out additional work themselves, at a higher cost to the council. It will be necessary to re-prioritise work within the audit plan to ensure that key audit requirements are met.</p> <p>Impact on other departments Managers in the department depend on Internal Audit to provide a level of assurance for the controls in place. Where new systems are introduced into the council, input is always requested from internal audit.</p> <p>Equalities Implications None</p>	535	45			Medium	Medium	SS2

DEPARTMENT : CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS3	<p>Service Description CHAS Contractors Health and Safety service. CHAS is a national service operated by Merton to provide Health and Safety expertise to a wide range of customers. Increase income generation target by 10%. This is based on scheme growth similar to the current analysis.</p> <p>Service Implication None</p> <p>Staffing Implications The figure is net of any additional temporary staff required to provide the service during peak periods. None</p> <p>Business Plan implications impact on other departments Equalities Implications Increased volume of transactions through other computer systems Ash and Proactis. None</p>	-128	138	151	167	Low	Low	S12
CC	CS4	<p>Service Description Benefit Investigations (into fraudulent activity). Delete 0.27 vacant post at PO1 grade. The budget remaining from this post is currently used to fund the additional costs of investigations such as the National Fraud initiative. This deletion will result in reduced activity to prevent, detect and pursue fraudulent activity.</p> <p>Staffing Implications None</p> <p>Business Plan implications impact on other departments Equalities Implications None</p>	280	10			Low	Medium	SS2
CC	CS5	<p>Service Description Benefit Investigations (into fraudulent activity). Reduce a full time post, grade PO2, to a part time post (60% full time equivalent). Reduced activity to prevent, detect and pursue fraudulent activity.</p> <p>Staffing Implications Change 1 post to part time. This could result in 1 redundancy.</p> <p>Business Plan implications impact on other departments Equalities Implications None</p>	280	16			Low	Medium	SS2

DEPARTMENT : CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS6	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Facilities Management Income generation This is the anticipated income generated from fees for works undertaken for both internal and external clients on project activity.</p> <p>None as the works will be undertaken by existing members of staff within the FM team. None None None None</p>	125	50			Low	Low	S12
CC	CS7	<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>Facilities Management Renegotiation and variation of the Property Maintenance Contract with EC Harris The management and operation of the councils repairs and maintenance function for the portfolio of corporate buildings has been transferred back in house which will result in savings from fees that have previously been paid to EC Harris. This is due to improvements in the efficiency of the management of projects and schemes.</p> <p>None None The change in arrangements should provide a more cost effective and responsive service to clients in the Council. None None</p>	125	116			Low	Low	SP1
CC	CS8	<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>Facilities Management Restructure of the repairs and maintenance service Following the recent TUPE transfer of 3 members of staff from EC Harris it is proposed to review the current arrangements for managing the repairs and maintenance service and undertake a restructure which will result in a reduction in the overall number of staff employed within the FM section. 2 x P03 posts deleted</p> <p>None None None None</p>	746	89			Low	Low	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS9	<p>Service Description</p> <p>Facilities Management Security A reduction in amount of weekend working undertaken within the Civic Centre which will reduce the cost of overtime payments made to the security staff and will also reduce the actual cost of undertaking building and servicing works by approximately 30%.</p> <p>Service Implication Works within the Civic Centre have always been undertaken outside of normal working hours, primarily to minimise disruption to the Councils normal day-to-day operations, and for health and safety reasons. An element of these works could be undertaken during normal working hours, but this will require co-operation and an acceptance from all departments in respect to issues such as noise.</p> <p>Staffing Implications None</p> <p>Business Plan implications Impact on other departments None</p> <p>Equalities Implications Works undertaken during normal working hours may cause some disruption due to noisy operations, such as drilling and banging. None</p>	1,107	15			Medium	Low	SPROP
CC	CS10	<p>Service Description</p> <p>Facilities Management Post Room A reduction in the number of postal assistant posts within the post room. A reduction in the number of daily collections and deliveries from 3 per day down to 1 per day. 1 post will be deleted</p> <p>Staffing Implications None</p> <p>Business Plan implications Impact on other departments This will result in a reduction of service, and will require a review of the services provided as part of the SLA with departments Some departments may need to amend their activities to reflect a reduced service None</p> <p>Equalities Implications None</p>	385	25			Medium	Medium	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS11	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Facilities Management Post Room A further reduction in the number of postal assistant posts within the post room. Reduce the postal service from one collection / delivery per day to a common collection point on each floor 1 Post - Redundancy This will result in a reduction of service, and will require a review of the services provided as part of the SLA Some departments may need to amend their activities to reflect a reduced service None</p>	385	29			Medium	Medium	SS2
CC	CS12	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Facilities Management Post Room Reduction in the Councils expenditure on postage Achieve a reduction in the amount of first class post being sent out by the council through the implementation of a system whereby managers have to justify use on the basis of a genuine business need. None None This should be negligible providing managers can make a suitable business case for using 1st class post where required None</p>	385	6			Low	Low	SNS1

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS13	Service Description Service Implication	Facilities Management Post Room Participation in the London Councils postal project. The Council currently uses Royal Mail 1st and 2nd class delivery service and the savings will be made by using a "down stream" service provider which will add an additional day on to the delivery time for the council's post. The implementation date for this project is currently unknown as work on the contract is being shared by a number of LA's. None None	385	18			Low	Low	SNS1
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Items of post might take an extra day to arrive at the delivery address, but a first class service would still be available if required and managers can provide a suitable business case None							
CC	CS14	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Risk & Insurance Bring Motor Claims Handling back in house for minor claims. Increase in workload for minor claims, which can be undertaken by existing staff Extra duties to be undertaken by existing staff through more efficient processes. None Improved efficiency, speed of handling will improve. None	442	28			Low	Low	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS15	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Revenues and Benefits Deletion of agency budget May impact on service delivery during peak periods It may be necessary to move staff between teams to provide additional coverage at peak periods or where there are staff shortages. Effort will be made to minimise any impact on Business Plan targets. None None</p>	1,050	18			Low	Low	SNS1
CC	CS16	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Revenues and Benefits Reduction of 10% supplies and services budget (excluding software licences) This can be achieved through efficiencies, with no impact on services None It is not anticipated that there will be any impact on Business Plan targets. None None</p>	1,050	36			Low	Low	SNS2

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS17	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	1,037	42			Low	Low	SS2
CC	CS18	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	1,037	21			Low	Low	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS19	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Revenues and Benefits Reduce from 6 to 5 Scanning Team This post reduces the available resources for incoming post, scanning and referencing. However, as this post is currently vacant the deletion of this post will not impact on the current level of service.</p> <p>None - vacant post</p> <p>It is not anticipated that this will impact significantly on Business Plan targets.</p> <p>None</p> <p>None</p> <p>None</p>	534	21			Low	Low	SS2
CC	CS20	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Merton Link Cease uniform provision Professional image of Council may decline - although staff requested to be smart at all times is contained in code of conduct and other employees working within area are not required to wear a uniform.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	897	12			Low	Medium	SNS2
CC	CS21	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Merton Link Reduction of Opening Hours in Cash Office by 50%. Alternative payment methods available - some staff retained to undertake outstanding work and internal collections. Opening hours would be between 10 a.m. and 2 p.m. The Cash Office will be open for 20 hours per week. One redundancy</p> <p>None</p> <p>Requires change in literature for method of payment and opening times</p> <p>None. Accessibility will be increased through the use of 87 PayPoints across the Borough.</p>	897	25			Low	Medium	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS22	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Merton Link Cessation of security contract No permanent security presence. Replaced with roaming security provided by in-house team (£30k to be transferred to facilities management). There would be a TUPE transfer in relation to this proposal None None None</p>	897	30			Low	Low	SNS2
CC	CS23	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Merton Link Reduction of Link/Contact Centre staff by 1 Transfer of freedom pass administration to Care Connect prior to the transfer of this activity to the Post Office in 2010. Care Connect will meet administrative requirements from existing resources. One redundancy None None There will be no impact on the issue of the Freedom Pass itself</p>	897	29			Low	Low	SS2
CC	CS24	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Revenues and Benefits Increased recovery of debt collection costs It is envisaged that this can be achieved within current staffing resources. None None None. None</p>	-255	100			Low	Low	S11

DEPARTMENT : CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS25	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Revenues and Benefits Increased recovery of court costs Courts have agreed increase in NDR costs to £165 from £95 - awaiting confirmation of council tax increase - however, number of summonses issued has maintained the same levels levels as 2007/08. None None None In line with existing collection policy</p>	1,037	200			Low	Low	S11
CC	CS26	<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>Merton Link The deletion of a Team Leader in Merton Link arising from a reduction of work at Russell Road It is not anticipated that this will impact on service provision as work will be covered within existing resources. One redundancy None None None</p>	897	32			Low	Low	SNS1
CC	CS27	<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>Merton Link The deletion of 1.6 customer service officers in Merton Link following implementation of new technology It is not anticipated that this will impact on service provision as work will be covered within existing resources. One redundancy None None None</p>	897	41			Low	Low	SS1

DEPARTMENT : CORPORATE SERVICES SAVINGS : 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS28	<p>Service Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	534	38			Low	Low	SS1
		<p>Housing Benefits Deletion of a Senior Systems Officer - Housing Benefits Reduction in the level of technical support to the main housing benefit assessment teams. The teams are now mature in experience and the level of training and support required has reduced</p> <p>One redundancy None None None</p>							
CC	CS29	<p>Service Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	13	35			Low	Low	SS1
		<p>Housing Benefits Deletion of Quality and Performance Appeals Officer – Housing Benefits Reduction in the level of resources available for the appeals process, but it will be possible to supplement the resources from within the section in order to limit the impact</p> <p>One redundancy None None None</p>							
CC	CS30	<p>Service Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	46	5	5		Low	Low	S11
		<p>Registration Service Increase rental for the Sheridan ceremony room by £20. This room is increasing in popularity and current projection for this room is 240 for the year. This increase is in line with similar venues and is unlikely to lead to a reduction of bookings. A lead in warning time for bookings will be required and so saving is part year only</p> <p>None None None None</p>							

DEPARTMENT : CORPORATE SERVICES SAVINGS : 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS31	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Registration Service Income from rental of grounds for purposes of a specialist wedding reception company Planning application has been granted and licensing application is outstanding - there is one interested supplier, once application granted formal contract negotiations to be conducted to ensure no liability and limited resource impact on council. None This facility may lead to an overall increase in the number of wedding ceremonies booked. None None</p>	46	10	2		Medium	Low	S12
CC	CS32	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Registration Service Restructure of service This will be undertaken once the new governance arrangements for the Service are implemented (estimated 01.04.10) and will, therefore, be a part-year saving. It is anticipated that there will be limited impact to the overall income of the service 0.5 post None None None</p>	46	8			Medium	Medium	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS33	<p>Service Description Service Implication</p> <p>Local land charges Restructure of team to reduce to 2 FTE There is currently a central government set practice standard for a turnaround of 1 day for personal search and 3 working days for full searches. In the event of unplanned staff absence, the statutory service must continue to be provided and it will be necessary to provide cover of adequately trained and maintained professional staff.</p> <p>Staffing Implications 1.2FTE</p> <p>Business Plan implications There will need to be a review of processes to ensure statutory service is met</p> <p>Impact on other departments There will be a need to multiskill a member of another team to cover absences and to ensure deliverability of the statutory service is maintained at all times.</p> <p>Equalities Implications None</p>	-182	59			Medium	Medium	SS1
CC	CS34	<p>Service Description Service Implication</p> <p>Information Governance Market and provide training and records management services to partner agencies This will lead to a risk that we will lose the focus on meeting the council's own legislative requirements</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	133	9			Medium	High	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS35	<p>Service Description Accounting & Financial Reporting Restructure within the section, with a reduction in staffing within Accounts Payable, Accounts Receivable, Corporate Reporting and Final Accounts. This proposal follows the principles identified by Deloitte.</p> <p>Service Implication Options for increasing productivity such as Homeworking and centralised document management will be implemented to offset the loss of productive capacity.</p> <p>Staffing Implications Reduction in staffing will lead to 9 redundancies</p> <p>Business Plan implications impact on other departments Equalities Implications A review of processes will be required to minimise impact on suppliers and Use of Resources judgement There may be a reduction in the initial level of service. However, options for improving productivity will be introduced. None</p>	2,384	281			Medium	Medium	SS1
CC	CS36	<p>Service Description Departmental Finance Restructure of the section to adopt more of a self service approach to service delivery. This proposal follows the principles identified by Deloitte.</p> <p>Service Implication Service departments may notice a reduction in personal service which will be replaced by a self-service methodology.</p> <p>Staffing Implications Reduction of 3 posts will result in 3 redundancies.</p> <p>Business Plan implications impact on other departments Equalities Implications The restructure will prioritise resources to minimise the impact on the Use of Resources judgement May impact on turnaround times and level of personal service received. None</p>	1,961	140			Medium	Medium	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS37	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Corporate Finance Restructure within the section, merging the Capital section with Treasury Management. Duties and responsibilities will need to be reorganised to ensure that the service can be maintained with the lower level of resource. Reduction of one post will result in 1 redundancy The restructure will prioritise resources to minimise the impact on the Use of Resources judgement There will be some impact on the services provided to departments and a self service approach will be required in relation to the Capital Programme within departments. There will a reduction in staffing this will not adversely impact on particular groups of residents. In achieving the staffing reduction the Council's policy for managing organisational change will ensure that the equalities issues are addressed.</p>	426	45			Medium	Medium	SS1
CC	CS38	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>HR shared service with Sutton Reduction of 11 posts across both boroughs as a result of moving to a unified, shared structure post-TUPE transfer The aim of the shared service is to build capacity and resilience through shared delivery with Sutton There is possibility of some redundancy as a result of reorganisation Delivers efficiency within the HR business plan aims The aim of the service is to improve efficiency and service delivery An full EQIA will be undertaken following application of the managing change procedure and competitive assimilation process</p>	2,362	250			Medium	Low	SS1
CC	CS39	<p>Decision Package Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Operations & Telecomms Remove Telewest E1 Data Link to Chaucer/Canterbury This is a data line that was installed as a back-up some years ago. This is rarely used and similar arrangements do not exist at other sites such as Garth Road and Worsfold House. None. None. Homecare could be without a back-up service for a short period. None.</p>	1,516	2			Low	High	SNS2

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS40	<p>Decision Package 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>	748	31			Low	Medium	SNS2
		<p>Distributed Services</p> <p>Delete budget for PC / servers / printers spares /sundry technical equipment.</p> <p>Where PCs have reached the end of their lives, the falling cost of IT, including technical equipment and PCs, will enable more cost effective replacement and maintenance. Where PCs have broken down they will be replaced from the Council's capital replacement budget.</p> <p>Staff will no longer spend time trying to salvage spares from old PCs to try to fix any faulty machines.</p> <p>None.</p> <p>None.</p> <p>None.</p>							
CC	CS41	<p>Decision Package 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>	178	30			Low	High	SS2
		<p>Quality & Strategy</p> <p>Delete vacant element of post of a security analyst</p> <p>The team is made up of two security analysts who provide IT security arrangements. It is proposed to make a part time security analyst redundant and retain a proportion of the saving to purchase specific security advice / analysis as required.</p> <p>One redundancy</p> <p>None.</p> <p>None.</p> <p>None</p>							

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS42	<p>Decision Package Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Systems & Integration</p> <p>Delete one systems development team member post</p> <p>The systems development group is committed to deliver new systems and services (eg CRM, document management and on-line systems). In future, where new systems are proposed, the IT support element will be contained within the Business Case. All costs arising from implementation of transformation projects will be built into the proposed investment.</p> <p>Vacant post</p> <p>None.</p> <p>Implementation of any requirements from the efficiency project will need to ensure costs of IT support are built in to those estimates</p> <p>None</p>	823	44			Low	Medium	SS2
CC	CS43	<p>Decision Package Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Systems & Integration</p> <p>Delete one project manager post</p> <p>The three project managers are each managing multiple projects. Removing one post would significantly reduce the capability of the group to deliver projects. However, it will be necessary for capital bids to include project management as part of the cost of each project. Therefore, it is proposed to remove one post from the establishment but to require all future new IT projects to incorporate the costs of project management as part of the capital cost of the scheme. Project management resources would be acquired on a project by project basis</p> <p>One redundancy</p> <p>None.</p> <p>Implementation of any requirements from the efficiency project will need to ensure costs of project management are built in to those estimates</p> <p>None</p>	823	53			Medium	High	SS2

DEPARTMENT : CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS44	<p>Decision Package 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>Operations & Telecomms Delete post of the operations support analyst.</p> <p>Staff in the team have been cross-trained with the range of skills in the team. There will be an impact in the first three months, but services will re-adjust to the new staff level after that. However, it needs to be recognised that there will be limited capacity for new projects after this reduction.</p> <p>One redundancy None None None</p>	1,516	42			Medium	Low	SS1
CC	CS45	<p>Decision Package 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>Desktop & Servers Group Delete one staff post in desktop / servers group</p> <p>One team member post was deleted last year. The introduction of the new SAN will allow more automation, which will allow us to reduce the workforce by one in this team.</p> <p>One redundancy. None Minimal None</p>	748	33			Medium	Low	SS1
CC	CS46	<p>Decision Package 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>Desktop & Servers Group Delete second staff post in desktop / servers group</p> <p>One team member post was deleted last year. The scheduled time to install new equipment will increase from four weeks to six weeks. The team is currently in the middle of implementing major projects (information lifecycle management, printer strategy and PC strategy). The exploitation of these technologies will provide a significant improvement in the operation of IT in the council. Reduction of the team will compromise these exploitation projects.</p> <p>One redundancy None Delays in servicing departmental requirements. None</p>	748	33			Medium	High	SS2

DEPARTMENT : CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS47	<p>Decision Package Description</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	296	6			Low	Low	SS2
		<p>Service Support Group Delete 20% of post currently vacant due to part-time working</p> <p>Limited service implications. None None</p> <p>This will have a direct impact on the speed of processing Service Requests. Currently SRFs are routed within 2 days of receipt, the permanent reduction of 20% of a post will mean that it will not always be possible to achieve this turnaround.</p> <p>None</p>							

DEPARTMENT: CORPORATE SERVICES SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS48	<p>Health and Safety Reduce a safety officer post to a half post. Reducing this post to half will impact on the level of statutory provision of H&S services to departments. 1 post will be affected.</p> <p>Staffing Implications None</p> <p>Business Plan implications Some loss, plan will need to be re written to reflect new type of service. Some loss of service to departments.</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	213	16			Medium	Medium	SS2
CC	CS49	<p>IT Services - Systems Integration Group Reduce analyst / programmer post by 40% Reduced capability for systems changes. However, the post is part of a bigger team, so the impact will be reduced considerably because of this. Reduction in working hours by 40%. To be achieved via flexible retirement. Limited impact as the staff member is part of a team, and cross training has been achieved in various technical skills. Limited impact on other departments.</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	823	17			Low	Low	SS2
CC	CS50	<p>IT Services - Systems Integration Group Reduce systems maintenance budget for Infor Masterpiece maintenance as a result of contract renegotiation.</p> <p>Staffing Implications None.</p> <p>Business Plan implications None.</p> <p>Impact on other departments None.</p> <p>Equalities Implications None.</p>	1,516	9			Low	Low	SP1

DEPARTMENT: CORPORATE SERVICES SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS51	<p>Decision Package/Service Description</p> <p><u>Finance</u> Reduction in Supplies and Services Budget</p> <p>Service Implication Services will need to reduce expenditure on supplies and services budgets</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	Various	17			Low	Low	SNS1

DEPARTMENT : CORPORATE SERVICES SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
CC	CS52	<p>Decision Package/Service Description</p> <p><u>Graphic Design</u> Cease a substantial part of Graphic design activity and save 2 posts. This will require departmental budgets to be surrendered as this activity is operated as a trading account with other departments.</p> <p>Service Implication The service will only be available for a limited number of high profile external projects Compulsory Redundancy 1.5 FTE</p> <p>Staffing Implications None</p> <p>Business Plan implications The quality of the corporate message and the image of the Council and its departments may be diluted</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	-3	57				Low	Medium	SS2
CC	CS53	<p>Decision Package/Service Description</p> <p><u>Housing Benefits</u> Delete 1 training / policy officer Deletion of this post will reduce the response rate for new HB initiatives, the frequent changes in HB legislation and wider welfare benefits take up. Service is subject to LEAN review, which should help address issues of input, software and procedure testing.</p> <p>Service Implication Compulsory Redundancy 1 - however vacant benefit officer posts available for re-deployment Possible failure to meet a number of targets, including processing and take up particularly in light of the impact of the recession, if the LEAN review is not carried out.</p> <p>Staffing Implications Work undertaken with CS&F Family Info Services will cease as it is not essential to the core benefits function.</p> <p>Business Plan implications Vulnerable groups such as older people and disabled directly impacted by reduced take-up work.</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	13	23				Low	Medium	SS2

DEPARTMENT : CORPORATE SERVICES SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS54	<p>Decision Package/Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p> <p>Local Taxation</p>	13	35			Low	Medium	SS2
		<p>Housing Benefits</p> <p>Delete Senior Benefits Officer</p> <p>Reduce Senior Benefit officers from 3 to 2. Reduced supervision in Link and likely impact on problem solving and accuracy of claims and error checking</p> <p>Compulsory Redundancy 1 - One officer reaches retirement age in December so may not be any compulsory</p> <p>Possible failure to meet a number of targets, including processing and take up particularly in light of the impact of the recession, if the LEAN review is not carried out.</p> <p>None</p> <p>Direct implication on HB claimants</p>							
CC	CS55	<p>Decision Package/Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments Equalities Implications</p>	1,037	31			Low	Medium	SS2
		<p>Local Taxation</p> <p>Delete Fixed Term Contract Recovery Officer</p> <p>Targeted work on old debts will be incorporated into normal working practices and processes - this may delay our ability to collect old debt.</p> <p>1 post Fixed Term Contract</p> <p>None</p> <p>None</p> <p>None</p>							

DEPARTMENT : CORPORATE SERVICES SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS56	<p>Decision Package/Service Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Performance and Development Delete part time Customer Service Assistant post Impact will be reduced capacity to deal with complaints and FOI within timescales & increased administrative workload associated with complaints, FOI etc. Redundancy 0.5 post None Response times for information requests may be extended. None</p>	173	15			Low	Medium	SS2
CC	CS57	<p>Decision Package/Service Description</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>CHAS_Contractors Health and Safety service. CHAS is a national service operated by Merton to provide Health and Safety expertise to a wide range of customers. Increase income generation target by 10%. This is based on scheme growth similar to the current analysis. None The figure is net of any additional temporary staff required to provide the service during peak periods. None Increased volume of transactions through other computer systems Ash and Proactis. None</p>	-128	100			Medium	Low	S12

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS58	<p>Decision Package/Service Description Service Implication</p> <p>Revenues and Benefits 1.5 x Revenues Officers Reduced capacity for collecting Council Tax and income may fall - will impact on the time it takes to set up new council tax accounts and grant discounts/exemptions</p> <p>Staffing Implications 1.5 VR requests</p> <p>Business Plan implications Impact on other departments Equalities Implications LCS29 - % Council Tax collected will reduce None None</p>	1,292	38	8		Low	Medium	SS2
CC	CS59	<p>Decision Package/Service Description Service Implication</p> <p>Revenues and Benefits Benefits Officer Reduced capacity for speedy payment of HB to vulnerable residents.</p> <p>Staffing Implications 1 VR request</p> <p>Business Plan implications Impact on other departments Equalities Implications NI181 & LCS22 - Reduce performance in accuracy and speed of assessing claims Increased arrears of Council Tax and rents (but Housing Stock Transfer will minimise impact on the Authority) Direct impact on vulnerable customers</p>	1,429	18	4		Low	High	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS60	<p>Decision Package/Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Revenues and Benefits 1 x Appeals Assistant reduced but admin of paperwork to Appeals still required. Remaining staff will need to do admin themselves which reduces capacity to 1 VR request None</p>	1,429	21	4		Low	Medium	SS2
CC	CS61	<p>Decision Package/Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Health & Safety Reduce Safety Services Admin post to a half post A review under the LEAN processes will enable us to achieve a reduction in admin support. However, there is a possibility that there will be reduced time spent on service delivery Reducing a current full time equivalent Admin post to half post will directly affect the current occupant of the post. reduction in efficiency of team Until a LEAN review is undertaken, there is a possibility that departments may experience a reduced service in respect of training and administration No equalities monitoring would be carried out in reduced function</p>	211	10	2		Medium	Low	SS2
CC	CS62	<p>Decision Package/Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>HR Make further savings (1.5 FTE) through reconfiguration of the staffing structure in response to customer needs and service delivery Requires configuration of structures Reorganisation None None None</p>	2,130	41	9		Low	Medium	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS63	<p>Decision Package/Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Finance Additional savings resulting from a restructure within the division. Service departments may notice a reduction in personal service received Reduction of 1.5 FTE - will result in 1 redundancy A reduction in staff will make it more difficult to maintain our Use of Resources score at Level 3. May impact on level of personal service provided to departments There will be a reduction in staffing this will not adversely impact on particular groups of residents. In achieving the staffing reduction the Council's policy for managing organisational change will ensure that the equalities issues are addressed.</p>	4,862	33	7		Medium	Medium	SS1
CC	CS64	<p>Decision Package/Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Finance Electronic remittance advices - The aim is to send remittance advices via e-mail rather than post. This will be an automatic process upon the payment being released. Savings will be obtained by reducing the cost of the paper, envelopes and postage while ensuring people are aware of payments being made to their banks promptly. None This will reduce the volume of queries being received by AP when supplier's have received the money but don't know what invoices we are paying. None None None None</p>	35	12			Low	Low	SNS1
CC	CS65	<p>Decision Package/Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Corporate Reduced Agency margins following renegotiation of Merton's contract with Hays None None None None</p>	-46	189			Low	Low	SP1

DEPARTMENT: CORPORATE SERVICES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS66	<p>Decision Package/Service Description</p> <p>Revenues and Benefits Recruit additional self funding bailiff</p> <p>Service Implication Increase output of bailiff team and increase costs and income for section -</p> <p>Staffing Implications 1 additional bailiff post</p> <p>Business Plan implications impact on other departments Equalities Implications None None Follow selection and recruitment process for appointment</p>	-255	(58)			Low	Medium	S12
Total Corporate Services Department Savings for 2010-2013				3,089	192	167			

Panel

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

Risk

Low S11
 Medium S12
 High SS1
 SS2
 SNS1
 SNS2
 SP1
 SG1
 SG2
 SPROP

Type of Saving Key

Income - increase in current level of charges
 Income - increase arising from expansion of existing service/new service
 Staffing: reduction in costs due to efficiency
 Staffing: reduction in costs due to deletion/reduction in service
 Non - Staffing: reduction in costs due to deletion/reduction in service
 Non - Staffing: reduction in costs due to deletion/reduction in service
 Procurement / Third Party arrangements - efficiency
 Grants: Existing service funded by new grant
 Grants: Improved Efficiency of existing service currently funded by unringfenced grant
 Reduction in Property related costs

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
Commissioning, Strategy and Performance									
C&YP	CSF1	Service Description	88	88			Low	Low	SS2
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							
C&YP	CSF2	Service Description	40	40			Low	Low	SS2
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF3	Service Description	Contract Procurement and School Organisation Delete Principal Contracts Officer post and reinvest 0.5fte in reconfigured service	44	22			Low	Low	SS2
		Service Implication	Restructure and reconfiguration of contracts team necessary to deliver priority work within reduced resource base.							
		Staffing Implications	Redundancy of 1 member of staff							
		Business Plan implications	No specific impact on Business Plan delivery.							
C&YP	CSF4	Impact on other departments Equalities Implications	None.	40		20		Low	Low	SS2
		Service Description	Contract Procurement and School Organisation Delete Health and Safety Post created in 2009-10 and retain some budget to commission specific pieces of work							
		Service Implication	Post vacant. Would need to retain some capacity to commission specific work e.g. post Health & Safety inspection action plans. Further discussion required with Corporate services regarding overall corporate capacity.							
		Staffing Implications	No specific implications as post never filled.							
		Business Plan implications	No specific impact on Business Plan delivery. The Departments Health and Safety capacity would be limited and would be reliant on the corporate function to deliver minimum statutory requirements.							
		Impact on other departments Equalities Implications	Will need to negotiate broader SLA with Health & Safety team in Corporate Services None.							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
Education									
C&YP	CSF5	<p>Service Description</p> <p><u>Extended Schools</u> Reduce Area Based Grant Contribution to Extended Schools Manager Post</p> <p>Service Implication</p> <p>No specific impact on extended services delivered in schools.</p> <p>Staffing Implications</p> <p>No change</p> <p>Business Plan implications</p> <p>Reduced Continuing Professional Development (CPD) funding for general use</p> <p>Impact on other departments</p> <p>None.</p> <p>Equalities Implications</p> <p>None.</p>	387	39			Low	Low	SG2
C&YP	CSF6	<p>Service Description</p> <p><u>Extended Schools</u> Co-ordinators Post to be Funded from Early Years Funding</p> <p>Service Implication</p> <p>Redistribution of grant</p> <p>No specific impact on extended services delivered in schools.</p> <p>Staffing Implications</p> <p>No change</p> <p>Business Plan implications</p> <p>None.</p> <p>Impact on other departments</p> <p>None.</p> <p>Equalities Implications</p> <p>None.</p>	0	50			Low	Low	SS2
			0	32			Low	Low	SS2

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF7	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>School Standards and Quality Partnership Arrangements For Schools Standards and Quality Delivery of school improvement advisory services via local/sub regional partnership arrangements with other local authorities Economies of scale will allow some overall reduction in advisor posts - detail subject to ongoing work. None None. Not yet defined</p>	466	80			Medium	High	SS2
Children's Social Care									
C&YP	CSF8	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Safeguarding and Partnerships Delete Common Assessment Framework (CAF) Coordinators Support Post Administrative support for cross agency CAF implementation and training will need to be re-allocated Post is currently vacant None. None. None.</p>	74	22			Medium	Medium	SNS2

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF9	Service Description	54	54			Low	Low	SS2
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							
C&YP	CSF10	Service Description	46	23			Low	Low	SS2
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
Youth and Inclusion									
C&YP	CSF11	<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>	84	29			Low	Low	SNS2
		<p><u>Youth Inclusion</u></p> <p>Virtual Behaviour Team</p> <p>Overall reduction of mental health promotion projects in schools.</p> <p>None - reduction in commissioning.</p> <p>Low impact, but there is a potential risk in relation to school exclusion targets.</p> <p>None</p> <p>No specific implications.</p>							
C&YP	CSF12	<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>	0	8			Low	Low	SS2
		<p><u>Youth and Inclusion</u></p> <p>Offset Standards Fund against Salaries rather than for commissioning work in schools</p> <p>Reduction of a school behaviour project.</p> <p>None - reduction in commissioning.</p> <p>Low impact, but there is a potential risk in relation to school exclusion targets.</p> <p>None</p> <p>Statistically, boys from a black and ethnic minorities background are at greater at risk of exclusion.</p>							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF13	Service Description	172	5			Low	Low	SS2
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							
C&YP	CSF14	Service Description	340	20			Low	Low	SS2
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF15	<p>Service Description</p> <p><u>Youth and Inclusion</u> Delete 2 Personal Advisors in Centre for British Teachers Contract</p> <p>Service Implication</p> <p>Reduction in overall capacity to deliver a targeted Personal Advisor service within a broader commissioned service.</p> <p>Staffing Implications</p> <p>None for Council although provider may need to make redundancies</p> <p>Business Plan implications</p> <p>Potential risk to achieving targets for young people not in employment, education or training (NEET).</p> <p>Impact on other departments Equalities Implications</p> <p>None Targeted PAs inherently work with young people vulnerable to poorer outcomes.</p>	952	66			High	Medium	SS2
	Cross Cutting								
C&YP	CSF16	<p>Service Description</p> <p><u>Cross Cutting</u> Combine Children's Trust Board and the Local Safeguarding Children's Board Development Functions and delete one post.</p> <p>Service Implication</p> <p>Current functions will need to be reallocated to other officers within the department.</p> <p>Staffing Implications</p> <p>1 fte redundancy.</p> <p>Business Plan implications</p> <p>Business Plan safeguarding objective can still be met.</p> <p>Impact on other departments Equalities Implications</p> <p>None None None</p>	90	45			Medium	Medium	SS2
	Cross Cutting								

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF17	Service Description	1,199	95			Low	Low	SS2
		Service Implication							
		Staffing Implications							
		Business Plan implications Impact on other departments Equalities Implications							
		Service Description							
C&YP	CSF18	Service Implication	30	15			Low	Low	SS2
		Staffing Implications							
		Business Plan implications Impact on other departments Equalities Implications							
		Service Implication							
		Staffing Implications							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
Early Years									
C&YP	CSF19	<p>Service Description Early Years and Children's Centres Cease Pilot to top up hours for Nursery Day Care Provision in Schools</p> <p>Service Implication No children are currently receiving this service</p> <p>Staffing Implications None</p> <p>Business Plan implications Impact on other departments Equalities Implications None. None None</p>	60	50			Low	Low	SNS2
C&YP	CSF20	<p>Service Description Early Years and Children's Centres Reduce Sure Start Grant Professional Development Grant</p> <p>Service Implication This will result in a reduction in resources available for training of early years workers. The remaining resources will be prioritised on the basis of training need.</p> <p>Staffing Implications None</p> <p>Business Plan implications Impact on other departments Equalities Implications None None None None</p>	30	20			Low	Low	SNS2

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF21	Service Description	60	60			Low	High	SP1
		Service Implication							
		Staffing Implications							
		Business Plan implications Impact on other departments							
		Equalities Implications							
C&YP	CSF22	Service Description	68	68			Low	Medium	SS2
		Service Implication							
		Staffing Implications							
		Business Plan implications Impact on other departments							
		Equalities Implications							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
Commissioning, Strategy and Performance									
C&YP	CSF23	<p>Service Description Service Implication This proposed reduction in the capacity of the Research and Information Service will impact on the speed and breadth of the analytical information available to the department. Remaining service will be reconfigured to ensure ongoing, timely and relevant information for managers and regulators. Reduction will require the concentration of remaining R&I staff capacity on business critical areas.</p> <p>Staffing Implications This saving can be effected by a 1 fte voluntary redundancy application in this service..</p> <p>Business Plan implications None</p> <p>Impact on other departments Equalities None</p> <p>Implications</p>	97	36			Medium	Medium	SS2
C&YP	CSF24	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Policy, Planning & Performance Restructure the Complaints and Customer Service and reduce by 0.3 fte management post . Restructuring will allow the service to continue to respond appropriately to complaints and FOI requests. This saving can be effected by a voluntary redundancy application in this service.</p> <p>N / A None None</p>	63	16			Medium	Medium	SS2

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
Education									
C&YP	CSF25	<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>	420	10			Low	Medium	SS2
<p>School Standards and Quality Restructuring of Support Team resulting in the reduction of 0.2 fte Business Support Post.</p> <p>Post reduction will require some reallocation of work within the overall School Standards and Quality Team. Would require a compulsory redundancy.</p>									
		None							
		None							
		None							
C&YP	CSF26	<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>	466	20			Medium	Medium	SS2
<p>School Standards and Quality Partnership Arrangements For Schools Standards and Quality</p> <p>Sub regional arrangements for the delivery of school improvement services will allow reduction in School Standards and Quality Team budget. No substantive impact on service to Merton's schools is anticipated.</p>									
		No specific implications for staffing.							
		None							
		None							
		None							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
Children's Social Care									
C&YP	CSF27	Service Description	105	35			Medium	Medium	SS2
		<p>Community Support and Social Care</p> <p>Reduce Family Support Co-ordinators from 3fte to 2fte</p> <p>These posts co-ordinate the provision of supportive day care for pre school children in need. This proposed saving will result in reallocation of work to remaining post holders. Funding for Day Care placements is not affected by this proposal.</p> <p>One FTE redundancy required.</p> <p>None</p> <p>None</p> <p>Children in need including those subject to a child protection plan need to be prioritised for access to support services including day care.</p>							
C&YP	CSF28	Staffing Implications	616	53			Medium	Medium	SS2
		<p>LAC, Permanency and Placements</p> <p>Deletion of one practitioner post in the 16 plus Team.</p> <p>Support to older looked after children and care leavers will need to be reallocated to remaining practitioner staff.</p> <p>One FTE redundancy required.</p> <p>None</p> <p>None</p> <p>Children looked after and care leavers are a key equalities group for whom it is well established that transitional support improves outcomes.</p>							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
Youth and Inclusion									
C&YP	CSF30	<p>Service</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	15	15			Low	Low	SS2
		<p>Youth and Inclusion</p> <p>Delete 0.6 fte Finance Assistant Role Work will need to be reallocated to remaining staff with some training required.</p> <p>0.6 fte redundancy</p> <p>None</p> <p>None</p> <p>None</p>							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF31	<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>Youth and Inclusion</p> <p>Reduction of 0.3 FTE Youth and Inclusion Caseworker</p> <p>This proposed saving would be achieved through restructure of existing service and reallocation of work to remaining staff.</p> <p>This saving can be effected by a voluntary redundancy application in this service..</p> <p>No specific implication.</p> <p>None</p> <p>No specific implication.</p>	475	10			Low	Low	SS2
Cross Cutting										
Dedicated Schools Grant										
C&YP	CSF32	<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>Early Years and Children's Centres</p> <p>Reduce Early Years Childcare, Workforce and Training complement by 0.4 FTE post</p> <p>This proposed saving would be achieved through restructure of existing service and reallocation of work to remaining staff.</p> <p>This saving can be effected by a voluntary redundancy application in this service..</p> <p>No specific implication</p> <p>None</p> <p>No specific implication</p>	860	25			Low	Low	SS2
		Total Children, Schools and Families Department Savings for 2010-2013			1,151	20	0			

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER1	<p>Service Description Delete 1 post in events team</p> <p>Service Implication Team cut by 50%. Re-grade junior staff member. Reduction in events support & production capacity.</p> <p>Staffing Implications Loss of 1 FTE</p> <p>Business Plan implications Impacts upon community event delivery targets</p> <p>Impact on other departments Impact upon Sponsorship Officer.</p> <p>Equalities Implications Yes, via reduced community events capacity</p>	78	39			Low	High	SS2
SC	ER2	<p>Service Description Delete 1 cemetaries operative post at London Road</p> <p>Service Implication Reduced service capacity & standards</p> <p>Staffing Implications Loss of 1 post</p> <p>Business Plan implications No significant impacts</p> <p>Impact on other departments No significant impacts</p> <p>Equalities Implications No significant impacts</p>	254	30			Low	Low	SS2
SC	ER3	<p>Service Description Delete Merton Horticultural Show</p> <p>Service Implication Loss of an event within LBM annual programme</p> <p>Staffing Implications No LBM staff implications, except loss of staff overtime</p> <p>Business Plan implications Minor impacts on community events delivery targets</p> <p>Impact on other departments None</p> <p>Equalities Implications Reduction in recreational services that attract/cater for older people in particular</p>	12	4			Low	Medium	SNS2
SC	ER4	<p>Service Description Delete parks staff's non-contractual payment for 36th hour paid at time-and-a-half.</p> <p>Service Implication Approx 3% Reduction in total hours worked. Considered to be manageable without significant reduction in service levels.</p> <p>Staffing Implications No post losses</p> <p>Business Plan implications No significant impacts</p> <p>Impact on other departments None</p> <p>Equalities Implications No significant impacts</p>	1,509	29			Medium	Low	SS1
SC	ER5	<p>Service Description Utilities cost reductions/cost recovery</p> <p>Service Implication Assumes better management of costs/use &/or facility closures</p> <p>Staffing Implications None</p> <p>Business Plan implications No significant impacts</p> <p>Impact on other departments None</p> <p>Equalities Implications No significant impacts</p>	162	5			Medium	Low	SNS1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER6	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	354	55			Low	Medium	SI1
SC	ER7	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	359	25			Low	Low	SS1
SC	ER8	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	7	7			Low	Low	SNS2
SC	ER9	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	123	46			Low	Medium	SS2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER10	Service Description	<p>Leisure Development & Support Delete one Support Services Officer Post</p> <p>Loss of one from team of five support staff who support Greenspaces & Leisure & Culture Team. This team do all of the leisure bookings from allotments, halls, cemeteries, Active Plus, Halls, Pitch bookings, etc. They are the first point for information, sales and customer contact.</p> <p>One reduction (from support team of 5FTE)</p> <p>The loss of 1 FTE in this team will require operational efficiencies to be put into place with improvements in technology and changes in the way by which the public procure leisure services. Should these two matters not be addressed at the same time as this staffing reduction then there will inevitably be some delays to serving all of the requests made to this team.</p> <p>Loss of service also affects the Greenspaces Team.</p> <p>None. Work of the remaining staff team would continue to focus on addressing inequalities in service provision</p>	22			Low	Medium	SS1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
Equalities Implications									
SC	ER11	Service Description	<p>Leisure Development & Support Reduction in Supplies and Services Budgets such as printing, stationery, postage, conference attendance, etc</p> <p>More advertising on line and by posters not leaflets, reduce mail outs and use email, web and texting etc</p> <p>None</p> <p>Could be some impact in the east of the Borough and particularly older people. Should the public not have ease of access to IT solutions which we use to reduce costs the public may become less aware of the services and opportunities available to them. We will aim to address this through use of public notices displayed locally and targeted information as appropriate.</p> <p>Loss of service also affects the Greenspaces Team</p> <p>Will need to review any impact in the east of the Borough by this change to the way we provide information.</p>	51	15		Low	Low	SNS2
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
Equalities Implications									

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER12	Service Description	<p>Leisure Development & Support Removal of Supplies and Services Budget held centrally by Manager Reduced Flexibility None There would be no availability of funds to cover any unforeseen items within this service area, hence no new projects could be undertaken unless they came with funding attached. Any shortfalls in service delivery would have to be made up by increased charging and/or reduced activity. None None</p>	15	15		Low	Low	SNS2
		Service Implication Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							
SC	ER13	Service Description	<p>Leisure Development & Support Reduction in Staff Overtime Reduction in overtime budget for staff from £15k to leave £3k. Staff would have to take TOIL. This would result in periods of time with reduced staff in autumn and winter to account for summer working None The time staff are working will need to be closely mapping Business Plan priorities thus reducing the opportunity to take on additional workloads, Govt or local initiatives as there would be insufficient capacity unless those projects come with funding to pay additional hours for staff. Should any services that other departments wish these staff to work on which are not the teams highest priorities within the Business Plan, they may have to pay for staff time to deliver work they wish them to do. None</p>	15	12		Low	Medium	SS1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
SC	ER14	Impact on other departments Equalities Implications	<p>Public Halls Lease property to existing sole users from 1st April 2010. None - The facility is currently solely operated by a childcare operator as a business. The facility is land locked and therefore unsuitable for any other development at this time None None Would create pressure to provide capital to keep building in good order None</p>	0	11		Low	Low	SPROP
		Service Description							
		Service Implication							
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER15	Service Description	32	3			Low	Medium	SS1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							
SC	ER16	Service Description	209	15			Medium	Low	SI2
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER17	Service	<p>Leisure Development & Support Additional income through increased charges and increased range and scope of leisure and culture courses and activities through Merton Active Plus Programme, particularly increasing to attract adults During a recession price increases may result in less bookings therefore there is a risk Use more casual staff, but if this became regularised these people could gain employment rights Increased activities would contribute further to meeting a wide range of Business Plan objectives - keeping more people, more active, more often. Increasing the physical and mental well-being of local people. Providing positive activities for young and older people. Improving people's quality of life.</p> <p>Will need to be aware of Merton Adult Education Activities in order not to reduce or dilute their business.</p> <p>Cost may prove prohibitive for some people, but the programme would try to ensure that those less able to afford can benefit through lower cost activities.</p>	5			Medium	Low	S12
		Description							
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							
SC	ER18	Service	<p>Property Management Deletion of Property Information Officer. Useful but not vital post. Section would become more reliant on IT helpdesk. Reduced - Tasks undertaken by remainder Loss of one FTE None Reduced Service None</p>	33			Low	Low	SS1
		Description							
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							
SC	ER19	Service	<p>Property Management Deletion of Estates Surveyor -Vacant. Reduces ability to obtain income. Reduced - Tasks undertaken by remainder Loss of one FTE Reduced - Tasks undertaken by remainder Reduced Service None</p>	39			Low	Low	SS2
		Description							
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							
SC	ER20	Service	<p>Property Management Principal Finance & Admin Officer. 3 day week. Minimum service particularly regarding increased priority of financial management. Reduced Reduced - Tasks undertaken by remainder Reduced ability to manage income. Reduced Service None</p>	16			Low	Low	SS2
		Description							
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER21	<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>	3,546	45			High	Low	SI1
		<p>Property Management</p> <p>Increased income from commercially rented assets through review of leases, maximisation of re-charging opportunities.</p> <p>Minimal</p> <p>None</p> <p>Opportunity to increase income.</p> <p>Dependent upon support/completion of documents by Legal.</p> <p>None.</p>							
SC	ER22	<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>	3,769	19			Low	Low	SS1
		<p>Street Cleansing</p> <p>Efficiency saving</p> <p>Reduction in 2 Patch Officers, making existing 14 staff Chargehands to compensate.</p> <p>2 staff</p> <p>Manageable impact</p> <p>Manageable impact</p> <p>Manageable impact</p>							
SC	ER23	<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>	2,140	95			Low	Low	SS1 & SNS1
		<p>Waste Services</p> <p>Recycling Collection - Household. Reduce plastics crew when RCVs replace Toploaders.</p> <p>Efficiency saving</p> <p>3 staff</p> <p>Manageable impact.</p> <p>None</p> <p>N/a</p>							
SC	ER24	<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>	2,140	50			Medium	Medium	SS1 & SNS1
		<p>Waste Services</p> <p>Recycling Collection - Household Service efficiency</p> <p>Double shifting 2 RCVs to pick up flats recycling.</p> <p>Potentially increased no access issues and noise complaints.</p> <p>4 staff move to afternoon/evening shift working</p> <p>Manageable impact. See possible noise complaints issue above.</p> <p>None</p> <p>N/a</p>							
SC	ER25	<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>	49	30			Low	Low	SP1
		<p>Waste Services</p> <p>Abandoned Vehicles - Reduce 3rd Party Budget</p> <p>Reduced demand since scrap market remains reasonably robust.</p> <p>None</p> <p>Manageable impact.</p> <p>Manageable impact.</p> <p>N/a</p>							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER26	<p>Service Description Performance Monitoring - Reduced working Reduce team of 2 to 1.65</p> <p>Service Implications Reduce team of 2 to 1.65</p> <p>Business Plan implications Manageable impact.</p> <p>Impact on other departments Manageable impact.</p> <p>Equalities Implications Manageable impact.</p>	527	7			Low	Low	SS1
SC	ER27	<p>Service Description Service Development & Strategy - Reduced working PO4 Manager - covering 0.7 week only</p> <p>Service Implications 0.3 FTE</p> <p>Business Plan implications Manageable impact.</p> <p>Impact on other departments Manageable impact.</p> <p>Equalities Implications Manageable impact.</p>	527	14			Low	Low	SS1
SC	ER28	<p>Service Description Reduced working Service Development & Strategy PO1 - covering 0.6 week only</p> <p>Service Implications 0.4 FTE</p> <p>Business Plan implications Manageable impact.</p> <p>Impact on other departments Manageable impact.</p> <p>Equalities Implications Manageable impact.</p>	527	15			Low	Low	SS1
SC	ER29	<p>Service Description Waste Disposal - Reduction in tonnage</p> <p>Service Implication Overall waste to landfill reduced by 8% for 0809 compared with 0708; and overall Municipal waste reduced by nearly 4%. Risks that waste volumes will rise again to previous levels; and from inability to divert landfill savings to for example kitchen waste collection and disposal.</p> <p>Staffing Implications None</p> <p>Business Plan implications Risk as identified above.</p> <p>Impact on other departments N/a</p> <p>Equalities Implications N/a</p>	4,930	231			Medium	Medium	SP1
SC	ER30	<p>Service Description Traffic and Highway Services Income generation from crane and Section 50 licences By increasing the charge associated with crane and Section 50 licences, and taking into account the volume achieved this year, it will be possible to generate £20,000 additional income. Charges to be increased from £150 to £200.</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>	6	20			Medium	Medium	SI1&SI2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
	ER31	Service Description	Traffic and Highway Services Income generation associated with NRASWA activities	50			Medium	Medium	SI2
		Service Implication	By increasing our Roads and Street Works activities it will be possible to generate £50,000 additional income. Increase income to be achieved through S74s, FPNs, defects, increase in sample inspection fees.						
		Staffing Implications	Small increase in workload contained within the current structure						
		Business Plan implications Impact on other departments Equalities Implications	None None None						
SC	ER32	Service Description	Traffic and Highway Services MARCH Users fee saving	5			Low	Low	SNS1
		Service Implication	MARCH software is no longer used by Traffic and Highway Services as any UKPMS analysis is now done by external consultants. As a result the MARCH Users fee is no longer required. Separate budget available for surveys.						
		Staffing Implications	None						
		Business Plan implications Impact on other departments Equalities Implications	None None None						
SC	ER33	Service Description	Traffic and Highway Services Disability Initiatives	16			Low	Low	SNS1
		Service Implication	The vast majority of crossings/crossing points are now DDA compliant and any additional requests relating to Highways and Disability can be managed within existing Capital and Revenue budgets						
		Staffing Implications	None						
		Business Plan implications Impact on other departments Equalities Implications	None None None						
SC	ER34	Service Description	Traffic and Highway Services Anti-Skid Surfacing	39			Low	Low	SNS2
		Service Implication	Skid resistance of the highway is measurable and there are recommended minimum levels particularly at traffic signals, roundabouts, ped crossings and critical junctions - these would still be maintained.						
		Staffing Implications	Possible additional workload for existing Highway Maintenance staff.						
		Business Plan implications Impact on other departments Equalities Implications	None Potential increase in workload for Risk and Insurance as a result of higher number of claims. None						

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER35	<p>Service Description Traffic and Highway Services Street Lighting As a result of the procurement of a new Street Lighting Maintenance and Improvement contract it has been possible to secure some savings in this area. Reduction in Council's ability to respond to essential maintenance of the Councils lighting stock.£30k savings achieved from new contract.</p> <p>Service Implication Possible additional workload for existing Highway Maintenance staff.</p> <p>Staffing Implications None</p> <p>Business Plan Implications Potential increase in workload for Risk and Insurance as a result of higher number of claims.</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	533	30			Low	Low	SNS2
SC	ER36	<p>Service Description Traffic and Highway Services Reduction in cost of Carriageway Patching</p> <p>Service Implication Saving achieved through contract negotiations.</p> <p>Staffing Implications None</p> <p>Business Plan Implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	320	16			Low	Low	SP1
SC	ER37	<p>Service Description Transport Planning Deletion of 'Hired Services' budget</p> <p>Service Implication Some loss of ability to progress technical issues, key projects etc. It may also affect our ability to react to peak workloads such as public inquiries. Reduced ability to progress some studies and work areas.</p> <p>Staffing Implications None</p> <p>Business Plan Implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	6	6			Medium	Medium	SP1

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Panel	Ref	Description of Saving		Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER38	Service Description	Transport Planning Deletion of one Full Time Senior Transport Planner post	353	46			Medium	Medium	SS2
		Service Implication	Reduced resource for input to LIP bidding processes and progression of major projects (e.g. town centre and station access schemes). The forthcoming LIP2 policy document (5 year Plan) is an extensive piece of work and this time there will be no support funding available from TfL. Deleting this post could reduce income for the Council (for new transport schemes) due to reduced resource for input to bidding documents and project management/progression and reduced ability to progress other initiatives which are currently a priority for the Mayor.							
		Staffing Implications	Deletion of one post currently covered by an agency member of staff							
		Business Plan implications	Reduced resource to progress the vision for improvement identified in the Business Plan. Likely that these improvements will take longer to achieve.							
SC	ER39	Impact on other departments	None	466	40			Medium	Medium	SS2
		Equalities Implications	None							
		Service Description	Consumer & Business Protection Loss of an Officer post within the Commercial Team							
		Service Implication	Reduction in inspection output and the investigation of service requests and accident investigation; reduction in health education programmes such as food safety week initiatives							
SC	ER40	Staffing Implications	Loss of 1.0 FTE	90	32			Medium	Medium	SS1
		Business Plan implications	None							
		Impact on other departments	Slower or no response to enquiries e.g. Planning, Recreation, Housing & pollution							
		Equalities Implications	None							
SC	ER40	Service Description	Consumer & Business Protection Loss of Support Officer post currently being covered by Agency worker	90	32			Medium	Medium	SS1
		Service Implication	Re-organisation of administrative support function of service; termination of agency contract; increased customer response times; potential increase in 'avoidable contact'; increased officer involvement in financial and administrative processing							
		Staffing Implications	Loss of 1.0 FTE							
		Business Plan implications	None							
SC	ER40	Impact on other departments	None	90	32			Medium	Medium	SS1
		Equalities Implications	None							

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Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER41	Service Description Increase all non-statutory fees by 10% Take-up and demand for relevant services likely to reduce especially in current financial climate; increased risk of challenge to fee setting on the basis that 'income generating' as opposed to 'cost recovery'; further negative reporting in the press N/A None None None	140	14			Low	Low	SI1
		Staffing Implications None							
		Business Plan implications Impact on other departments Equalities Implications None							
SC	ER42	Service Description Saving through Shared services - Half manager Partnership arrangement with L B Sutton. Shared management arrangement between Sutton and Merton Long term the partnership will provide a more robust service able to compete more effectively with the private sector to maintain the income stream to the council None None	62	31			Low	Low	SS1
		Staffing Implications None							
		Business Plan implications Impact on other departments Equalities Implications None							
SC	ER43	Service Description Loss of one Building Control Officer post Reduction in service One redundancy This reduction will reduce the level of inspection that we can provide to our customers which will impact on the levels of health and safety and buildings less sustainable. None None	623	54			Medium	Medium	SS2
		Staffing Implications None							
		Business Plan implications Impact on other departments Equalities Implications None							
SC	ER44	Service Description Income Increase to service users None None The increase in charges will make the service less competitive with the private sector which ultimately would reduce the income stream to the council. The risk analysis is high because it depends on an increase in building activity which at present is very subdued due to the credit crunch none none	957	51			High	High	SI1
		Staffing Implications None							
		Business Plan implications Impact on other departments Equalities Implications none							

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Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER45	<p>Service Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p> <p>Service</p>	1,155	2			Low	Low	SS1
		<p>Development Control Reduce officer attendance at Committee Stop DC minute taking. Presenting officers will have to display PowerPoint. none. Less overtime/foi None None None</p>							
SC	ER46	<p>Parking Services Amalgamation of the Customer Services manager and the Business Services manager post into a new post called the Customer and Business Services Manager An existing SO1 will be moved from different part of the team (permits) to support this new role. This is inline with the Deloitte report regarding a change needed in the supervisory team for permits. Deletion of one post None other than detailed below This may impact on our ability to answer complaints/ FOI/ data protection requests None</p> <p>Service Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p> <p>Service</p>	84	42			Low	Medium	SS1
SC	ER47	<p>Parking Services Deletion of the Enforcement Manager's post The workload would be spread between 3 other officers Deletion of one post None None None</p> <p>Service Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p> <p>Service</p>	160	42			Low	Medium	SS1
SC	ER48	<p>Parking Services Restructure of the Parking Processing/ Administration team. Supervisory responsibilities will be amended and four administrative posts will be removed. Service provision is not expected to be significantly affected. The restructure is in line with recommendations of the recent external review of the parking "back office" operation. Loss of four FTEs. Other minor restructures within the team. None None None</p> <p>Service Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p> <p>Service</p>	900	100			Low	Medium	SS1

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Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER49	<p>Service Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	267	47			Medium	High	SI1
		<p>Parking Services Increase Car Park permit charges by 20%, rentals by 10% and bay suspensions/ skip licences by 20%. Increase in complaints None None None None</p>							

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Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER50	<p>Service Area Description Service Implication</p> <p>Traffic and Highway Services Income generation from crossover applications. By increasing the administration charge associated with crossover applications from £150 to £200 it will be possible to generate £30,000 additional income based on 675 applications per year. Crossover application fees were last increased approximately 3 years ago. An increase in fee could discourage new crossover applications and therefore preserve the character of the streescene and limit the erosion of green spaces.</p> <p>None None None None</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	65	30			Medium	Medium	SI1
SC	ER51	<p>Service Area Description Service Implication</p> <p>Traffic and Highway Services Weed Spraying This is a small budget area. However, it has been identified that Waste Operations also provide a weed spraying service on the Highway. There is an opportunity to review weed spraying operations as part of the Transformation Project and deliver procurement savings through consolidated contracts. There is also a potential for additional savings by offering the service to MPH at a suitable rate.</p> <p>None None Small impact on Housing, however it is felt that this will be minimal.</p> <p>Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	14	14			Low	Low	SNS1
SC	ER52	<p>Service Area Description Service Implication</p> <p>Traffic and Highway Services Tree Planting on the Public Highway With external Funding of £70k secured from the Forestry Commission for new planting and capitalisation of tree planting where appropriate in planned schemes, this budget is no longer required.</p> <p>None None None None</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	23	23			Low	Low	SG1

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Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER53	<p>Service Area Description Service Implication</p> <p>Traffic and Highway Services Grounds Maintenance Contract Contract negotiations together with revised schedule for shrub and planter maintenance to deliver contract efficiencies.</p>	628	36			Low	Medium	SP1
		<p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>None None None None</p>							
SC	ER54	<p>Service Area Description Service Implication</p> <p>Traffic and Highway Services Carriageway Markings Maintenance and renewal of carriageway markings will be supplemented through planned schemes e.g. review or implementation of new Parking, Local Safety and 20mph schemes.. The remaining £41k will be prioritised to meet legal obligations.</p>	71	30			Medium	Low	SNS2
		<p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>None None None None</p>							
SC	ER55	<p>Service Area Description Service Implication</p> <p>Traffic and Highway Services Traffic Sign/Street Furniture Maintenance The saving offered represents a proportion of the savings already made as a result of negotiations to extend the current contract for a further two years. The remainder will be realised through capitalisation of expenditure on replacement of highway assets such as benches, bollards and traffic signs.</p>	157	52			Low	Low	SP1/SNS2
		<p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>None None None None</p>							

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Panel	Ref	Description of Saving		Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER56	Service Area Description Service Implication	<p>Traffic and Highway Services Anti-Skid Surfacing This is the remainder of the revenue budget for this work (£119k saving already agreed by Cabinet, ER34). Skid resistance of the highway is measurable and there are recommended minimum levels particularly at traffic signals, roundabouts, ped crossings and critical junctions. There is a Capital allocation of £140k for Anti Skid surfacing. which will be used to meet the minimum required levels.</p> <p>None None Potential increase in workload for Risk and Insurance as a result of higher number of claims. None</p>	39	20			Low	Low	SNS2
SC	ER57	Staffing Implications Business Plan implications Impact on other departments Equalities Implications Service Area Description Service Implication	<p>Traffic and Highway Services Carriageway Patching, Reactive Maintenance, Footway Maintenance The condition of Merton's Carriageway Network is about average compared with other London Boroughs. In addition to a revenue allocation of £1.535M for these services there is also a total Capital allocation of approximately £2.34M for planned carriageway and footway work. Carriageway patching works will continue and will be funded from a combination of the Capital allocation and the remaining revenue allocation. The £244k offered includes £32k which represents a proportion of the savings already made as a result of negotiations to extend the current contract for a further two years. The savings equates to approximately 6% of the total available Capital and Revenue budget for carriageway and footway works. Additional investment in carriageway and footway works has been secured from the £2m StreetScene project.</p> <p>None None None None</p>	1,535	244			High	Medium	SP1/SNS2
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications	None None None None							

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Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER58	<p>Service Area Description</p> <p>Street Cleansing Move from a scheduled to an area based method of sweeping - from the current 7 teams of 1+2 manual sweeping and 7 teams of 1+2 deep cleansing. Move to 10 teams of 1+2 manual sweeping on an area basis as required; + 7 staff litter picking to follow waste collection on the same day after collections; and 1 response team of 1+1, saving 3 staff. Litter pickers meet commitment to cleaning roads on same day following collections. Designed as response to need for improved NI195 performance.</p> <p>Service Implication Enables a more effective use of resources and reduced risk of reduction in National Indicators & Residents Survey performance. Also designates a resource to react to complaints/problem areas. 3 staff See above. Implications for Leisure & Housing Efficiencies to service across the borough.</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	3,769	58			Low	Low	SS1
SC	ER59	<p>Service Area Description Service Implication</p> <p>Graffiti Removal Realignment of resources to reflect reduced demand Currently 6 staff, using 3 vehicles. Essentially same resource as 2006/07 when 6,370 graffiti incidents tackled. In 2008/09 there were 2,380 incidents - 37% of 2006/07 number - and 2009/10 outturn is likely to be similar to 2008/09. Proposed to reduce to one crew through year and a second during busiest Apr-Sep 6 months. Downside is potential reduction in PIs - particularly speed of removal times. Trained staff to be absorbed into MRCS and used as necessary to cover peak season, leave, sickness etc. Impact on Enforcement and Parks Teams to identify issues and ensure proactive service.</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	240	114			Low	High	SS1

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Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER60	<p>Service Area Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	1,184	110			Medium	Medium	SS1/SNS1
		<p>Waste Services Efficiency savings at the Waste Transfer Station, Amenity Way Automation of facilities and reduction in waste throughput allows a reduction in staffing requirements and decreased budgets for overtime, security, diesel and repair & maintenance. Loss of 2 FTE Manageable impact. Manageable impact on Leisure & Housing N/a</p>							
SC	ER61	<p>Service Area Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	2,140	85			Low	High	SS1/SNS1
		<p>Neighbourhood Recycling Sites Combine collection with flats collection Revised proposal. Now 24 sites. Estimated 580 tonnes collected in 0809; 0.5% of 30.2% estimated 0809 outturn. Add these collections to 2 flats crews now collecting comingled recycling in afternoon/evening shift - links with ER24 saving agreed at Oct 09 Cabinet. 2 staff None See above. Some impact on Transport. None</p>							
SC	ER62	<p>Service Area Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	1,268	109			Medium	Low	SI1
		<p>Refuse/Recycling Collection - Commercial Increased Income Annual fees & charges increase proposed for the approx 1,600 'bins & sacks' commercial waste contracts. Increase coincides with 1 April increase of £8 per tonne in landfill tax. Assumes 11% increase for residual waste, which is approx 90% of income. Manageable impact Manageable impact Manageable impact</p>							

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Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER63	<p>Service Area Description</p> <p><u>Alleygates</u> Reallocate the required resident contribution from equipment to clearance costs and adjust council capital contribution accordingly</p> <p>Service Implication No additional contributions planned from residents. Minimal impact on capital programme.</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	13	13			Low	Medium	SNS1
SC	ER64	<p>Service Area Description</p> <p><u>Env Health</u> Deletion of 2.0 FTE Reduction in services by deletion of 2 vacant officer posts. This is a frontline service dealing with noise complaints, public health risks and nuisances and poor housing conditions. The transfer of HRA Stock will increase responsibilities.</p> <p>Service Implication Loss of 2 vacant posts Targets will need to be renegotiated.</p> <p>Staffing Implications Business Plan implications</p> <p>Impact on other departments Reduced potential to meet demands of other sections for front line service support or investigation of contraventions/complaints etc and associated enforcement work.</p> <p>Equalities Implications Services are to a large extent used by and targeted at the most vulnerable members of the community.</p>	702	89			Medium	Medium	SS1

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Panel	Ref	Description of Saving		Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER65	Service Area	<u>Environmental Health & Consumer and Business Protection</u>	1,844	60			Low	Low	SS1
		Description	Amalgamation and restructuring of Sections in line with Deloitte and TOM recommendations/outcomes							
		Service Implication	Minimal							
		Staffing Implications	Reduction of 1.0 FTE, re-evaluation of team leader posts.							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
SC	ER66	Service Area	<u>Development Control</u>	747	58	-45		Low	Medium	SS1
		Description	Replacement of one full time with a part time planning post; supporting another with alternative funding (Housing Planning Delivery Grant).							
		Service Implication	The reduction in hours is not expected to have a significant effect on service delivery.							
		Staffing Implications	Permanent reduction of 0.4 posts via WfR. Funding of one FTE for 1 year via HPDG.							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER67	<p>Service Area Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	<p>Development Control Reduction of one post within the Enforcement team. Reduced capacity of the team to investigate the number of complaints received, potentially affecting the ability to meet customer expectations. However, there has been a minor reduction in the number of complaints received and a reduction of one post, combined with expected efficiencies arising from the TOM process, is expected to be manageable.</p> <p>Loss of 1 FTE None Potential reduced ability to respond to and complement other divisions strategies for improving the environment for residents None</p>	231	35			Low	Medium	SS1
SC	ER68	<p>Service Area Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	<p>Development Control Loss of 1.1 FTE Achieved by 1) the deletion of 0.5 of a trees officer post, which will result in reduced potential to deliver service and reduced capacity to progress applications for works to TPO's and trees in conservation area in a timely manner. Reduced ability for advising DC officers on planning applications. However, it is recognised that the number of applications has reduced and there are potential efficiency savings as part of the TOM process that may reduce the impact on services. 2) The loss of a part time admin officer post, this is achieved through WIR and again managed through the TOM process.</p> <p>Remove 0.5 trees and landscaping officer post and 0.6 admin officer post Need to renegotiate performance targets Some reduced ability to provide expert advice to other departments planning applications involving trees. None</p>	231	36			Low	Medium	SS1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER69	<p>Service Area Description</p> <p>Spatial Planning We will be preparing Supplementary Planning Documents (SPD) instead of Development Planning Documents to guide development and determine planning applications in Merton.</p> <p>Service Implication Service impacts on Development Control / Enforcement. Would mean relying on principles set out in policy, and details set out in guidance (rather than policy) for determining planning applications and taking enforcement action. Guidance is less onerous and much quicker to prepare, requires less supporting research, and can be flexible to focus on specific council priorities. Guidance can be adopted at full council rather than policy, which requires a public examination by an independent inspector. However guidance has lower legal status than adopted policy and may be less valuable when planning decisions are appealed. Likely to be more challenging to administer than current regime. Also potentially more confusing for applicants unless efforts spent on communication of new approach.</p> <p>Staffing Implications None before 2013 Potential harmful impacts on development or regeneration projects if the new guidance didn't stand up to legal challenge.</p> <p>Impact on other departments Strongest impact on Development Control / Enforcement. Potential impact on Community and Housing in terms of defending appeals None</p>	154	20			Medium	Medium	SNS2
SC	ER70	<p>Service Area Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Greenspaces Delete one cemetery operative at London Road Cemetery Reduced service capacity & quality in the affected cemeteries</p> <p>Reduction of one FTE No significant impacts No significant impacts No significant impacts</p>	254	28			Low	Medium	SS2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER71	Service Area Description Service Implication	185	5			Low	Medium	SNS2
		Staffing Implications Business Plan implications							
		Impact on other departments Equalities Implications							
SC	ER72	Service Area Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	63	5			Medium	Medium	SI1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER73	Service Area Description	39	30			Low	Medium	SS1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
Equalities Implications									
SC	ER74	Service Area Description	40	20			High	Low	SNS1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
Equalities Implications									

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER75	<p>Service Area Description</p> <p>Property Management Derived from a long list of individual budget codes. Include R&M, telephones, consultancy water rates, rates and service charges. Imprudent to delete rates due to liability for void rates and increased risk of this during recession. Service charges are contractual liability which are repaid by occupier. All other sums reduced to minimum and would cover little more than health and safety items. If more substantial costs arise would need to find capital or obtain vacant possession.</p> <p>Service Implication Vulnerable to unexpected but essential expenditure. If unable to avoid cost would lead to overspend.</p> <p>Staffing Implications None</p> <p>Business Plan implications Impact on other departments None</p> <p>Equalities Implications Reduced spend could lead to staff reduction within Corporate Services as Facilities Management maintain most of these properties on behalf of Property.</p>	298	125			Medium	Medium	SNS2
SC	ER76	<p>Service Area Description</p> <p>Business Performance Charge a percentage management fee for project management services of the Strategy and Funding Officer. Additional costs may hamper winning the bid. Can only be used for revenue projects</p> <p>Service Implication Aim to cover the cost of the salary of the Strategy and Funding Officer</p> <p>Staffing Implications None</p> <p>Business Plan implications Impact on other departments Increase in work of some managers involved in the bidding process</p> <p>Equalities Implications none</p>	326	37			Medium	Low	SG1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER77	<p>Service Area 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>	275	65			Low	Medium	SS1
<p>Sustainable Communities Division Reduction of one Section Head in the Division (Regeneration Partnerships Manager post) Restructuring of the team within Sustainable Communities will be needed to accommodate all the team's functions. These include development and delivery of the emerging Economic Development Strategy, town centre management, Neighbourhood Renewal, management of the Merton Means Business and Generator service, contributing to the development and delivery of employment land use planning policies, voluntary sector support, tourism, servicing of the Sustainable Communities and Transport Partnership of the Merton Partnership, co-ordinating the Merton Partnership's response to the recession. Reduction in one manager level post. Restructuring will be required. Will be contained by a restructured team to ensure the functions relating to specific Business Plan and Community Plan themes (notably economic development, town centre management, neighbourhood renewal) and maintained. A restructured team will enable the section's contributions to areas such as child poverty agenda, 2012 activities, skills development, the 3rd sector strategy, the bridging the gap theme, response to the recession etc to be maintained. The post also provides significant support within the Merton Partnership structure and for the Community Strategy, and will be maintained by the restructured team. The Economic Development Strategy, neighbourhood renewal activities and voluntary sector support are important for disadvantaged groups in the borough</p>									

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis - Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ER78	<p>Service Area Description Service Implication</p> <p>Staffing Implications Business Plan Implications</p> <p>Impact on other departments Equalities Implications</p>	479	100			Low	Medium	SS1
<p>Business Performance/Secretariat Minor re-organisation - Reduction of 3 FTEs Reduced central capacity to take forward Equalities, Workforce Development and other projects; increased reliance on service managers to lead on these functions. Loss of 3 FTEs Reduced capacity to take forward Equalities, Workforce Development and other projects not specific to E&R services.</p> <p>None Reduced capacity to support the Department's move to Equalities Framework 3 in future years</p>									

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving		Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER79	Service Area Description	Traffic & Highways Merge Network Improvement and Renewal teams (Traffic and Parking) reducing one manager's post and one engineer post.	609	100			Low	Medium	SS1
		Service Implication	Reduced capacity to manage traffic and parking schemes							
		Staffing Implications	Loss of 2 FTEs							
SC	ER80	Business Plan implications	None	552	19			Medium	Medium	SS1
		Impact on other departments	None							
		Equalities Implications	None							
SC	ER81	Service Area Description	Traffic & Highways Restructure Customer, Finance & Performance team Limited - could be managed and improved through a LEAN review	140	30			Medium	Medium	SS1
		Staffing Implications	Loss of 1 FTE							
		Business Plan implications	None							
SC	ER81	Impact on other departments	None	140	30			Medium	Medium	SS1
		Equalities Implications	None							
		Service Area Description	Transport Services Realign back office support and reduce Admin Asst from 5 to 4 FTE							
SC	ER81	Service Implication	None	140	30			Medium	Medium	SS1
		Staffing Implications	Loss of 1 FTE							
		Business Plan implications	None							
SC	ER81	Impact on other departments	The Transport section is budgeted to break even - therefore the saving will be realised in client department budgets (and SLA charges adjusted accordingly)	140	30			Medium	Medium	SS1
		Equalities Implications	None							
		Service Area Description	Transport Services Realign back office support and reduce Admin Asst from 5 to 4 FTE							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER82	<p>Service Area Description Service Implication Staffing Implications Business Plan implications Impact on other departments</p>	<p>Transport Services Remove Foreman/Driver post (not now required) None Loss of 1 FTE None The Transport section is budgeted to break even - therefore the saving will be realised in client department budgets (and SLA charges adjusted accordingly)</p>	29			Medium	Low	SS1
SC	ER83	<p>Equalities Implications Service Area Description Service Implication Staffing Implications Business Plan implications Impact on other departments</p>	<p>Transport Services Reduce number of Asst Training & Road Safety Officers from 2 to 1 FTE. Second post vacant and not required. None Loss of 1 FTE None The Transport section is budgeted to break even - therefore the saving will be realised in client department budgets (and SLA charges adjusted accordingly)</p>	25			Medium	Medium	SS1
SC	ER84	<p>Equalities Implications Service Area Description Service Implication Staffing Implications Business Plan implications Impact on other departments</p>	<p>Consumer and Business Protection Deletion of vacant part-time Environmental Officer post. Any reduction in levels of enforcement and ability to meet statutory inspection requirements will be managed through the TOM process and the restructuring of the section. Intelligence-led approach to workplace accident investigations and service requests only. Reduction of 0.7 FTE See Above Limited response to enquiries e.g. Planning, Licensing, Housing & pollution will be managed through TOM process. None</p>	46			Medium	Medium	SS1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER85	Service Area Description Service Implication	432	31			Medium	Medium	SS2
		Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							
SC	ER86	Service Area Description Service Implication	175	12			Medium	Low	SS1
		Staffing Implications							
		Business Plan implications Impact on other departments Equalities Implications							
		Service Area Description Service Implication							
SC	ER87	Service Area Description Service Implication	50	10			Low	Low	SS1
		Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER88	<p>Service Area Description</p> <p>Regeneration Partnerships Deletion of 0.6 Senior Voluntary Sector post which provides support to the third sector including the management of the annual grant project funding process for regeneration projects (currently £60k) including the criteria, application process, panel and appeals allocation process, grant agreements and monitoring; support and the allocation of funding (currently £142k) to 5 community centres (agreeing SLAs, monitoring and capacity building); and support for the development of social enterprise.</p> <p>Service Implication</p> <p>The management of the annual grants process and community centres will need to be absorbed with other grant processes and voluntary sector support within the Division or corporately. If social enterprise is to be further developed resources will need to be allocated within the forthcoming Economic Development Strategy.</p> <p>Staffing Implications Loss of 0.6 FTE.</p> <p>Business Plan implications The projects which are funded address unemployment, child poverty</p> <p>Impact on other departments Post currently also currently co-ordinates the process for the allocation of annual grant project funding for Community Care and Housing including some joint funded projects</p> <p>Equalities Implications The funds managed by this post benefit disadvantaged and vulnerable groups in the borough</p>	363	20			Low	Medium	SS1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER89	<p>Service Area Description</p> <p>Neighbourhood Renewal Transfer of staff under TUPE scheme to Merton Priory Homes as part of housing stock transfer to undertake strategic neighbourhood renewal functions and the ongoing development and delivery of Neighbourhood consultations and Action projects in East Merton</p> <p>Service Implication The details have been discussed with Merton Priory Homes to ensure that the strategic function is undertaken and partnership working continues to develop, that the activities spillover beyond the boundaries of housing estates to improve the quality of life of residents in the wider area and that there is adequate support (within the MPH structure) and funding (from the proposed Community Investment Fund) for the activities and to maximise linkages with the emerging Economic Development Strategy (e.g. social enterprise, business loans through the proposed Credit Union)</p> <p>Staffing Implications 1.6 posts are being transferred under TUPE (1 fte post funded from Revenue; 0.6 funded from LABGI)</p> <p>Business Plan implications The Neighbourhood Renewal Strategy has been adopted by the Merton Partnership and is the basis of the Bridging the Gap theme of the Community Plan and Local Area Agreement. Merton Priory Homes have accepted an invitation to join the Merton Partnership</p> <p>Impact on other departments The post co-ordinates work with other departments which are closely involved in the development and implementation of action plan projects in neighbourhood areas in East Merton. Other departments have also agreed to address specific targets in relation to the Bridging the Gap theme. Arrangements will be put in place to ensure continuity.</p> <p>Equalities Implications Disadvantaged residents in East Merton will benefit from the continuation of Neighbourhood Renewal work following the transfer of functions to Merton Priory Homes.</p>	50	50			Low	Low	SP1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER90	<p>Service Area Description Safer, Merton SM Wardens - Transfer of service - which will be delivered by and for Merton Priority Homes (MPH). Service delivered and owned by MPH</p> <p>Service Implication Transfer</p> <p>Business Plan implications None</p> <p>Impact on other departments This service will be retained and owned by MPH, with the exception of the Wimbledon TC Warden who will be funded by the Council</p> <p>Equalities Implications None</p>	981	112			Medium	Medium	SS1
Total				3,730	-45	0			

Panel

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

Risk

Low
Medium
High

Type of Saving Key

SI1 Income - increase in current level of charges
SI2 Income - increase arising from expansion of existing service/new service
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
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

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC01	<p>Service</p> <p>Older People Commissioning for Residential & Nursing Care</p>	1,172	180			Low	Low	SP1
		<p>Description</p> <p>Negotiate within existing clause to reduce numbers of contracted beds by 15 beds Need to ensure that market has sufficient capacity to be able to take on spot placements (especially respite) . Low risk of failure, due to contractual option to reduce down number of beds at Eitandia.</p> <p>Staffing Implications</p> <p>None</p> <p>Business Plan implications</p> <p>Meets target of decreasing block contract provision, without impacting on service delivery. Contributes to efficiency savings.</p> <p>None</p> <p>Impact on other departments</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p> <p>Equalities Implications</p>							
HC&OP	CC02	<p>Service</p> <p>Older People Commissioning for Residential & Nursing Care</p>	4,672	100			High	Low	SP1
		<p>Description</p> <p>Negotiate on a mutual benefit basis to reduce blocks by 20% per year until end of contract on basis of the strength of the self funded market This would relate to the CCHT homes for 2009-summer/autumn 2010. Risk that provider not prepared to negotiate, as contractually no option to reduce down the number of beds. Would then have to look towards making the savings through other methods e.g. negotiating rates with larger spot providers.</p> <p>None</p> <p>Staffing Implications</p> <p>Meets target of decreasing block contract provision, without impacting on service delivery. Contributes to efficiency savings.</p> <p>None</p> <p>Business Plan implications</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p> <p>Impact on other departments</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p> <p>Equalities Implications</p>							

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC03	<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>	5,950	245			High	Medium	SP1
		<p>Older People Commissioning for Nursing Care Negotiate with PCT to sub-contract nursing beds and realise mutual benefits until end of contract. Initial feedback from PCT is that at this stage they appear reluctant to consider sub-contracting . However, with quality of care increasing at Eitandia this may change. Savings could be lower. Need to ensure that market has sufficient capacity to be able to take on spot placements (especially respite) None</p> <p>Meets target of decreasing block contract provision, without impacting on service delivery. Contributes to efficiency savings targets None</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>							
HC&OP	CC04	<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>	248	60			Medium	High	SP1
		<p>Learning Disability Respite Care Respite Care for people with a learning disability: This contract will be let with a new contract in place by April 2010 at the latest and will be reconfigured in terms of the ratio of block : spot beds. Minimal risk of insufficient placements. As we can also purchase spot placements under the contract, this should not be an issue. None</p> <p>Meets target of decreasing block contract provision, without impacting on service delivery. Contributes to efficiency savings None</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>							

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC05	<p>Service Description Service Implication Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p> <p>All Services Re-tender Extra Care Supported Housing Schemes Tender documents to be amended to exclude in-house care service at Glebelands. Should not impact on contract start date. None Will reduce efficiency savings as separate contract will be required. Need to revisit in-house service for efficiency savings None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	490	40			Medium	Low	SP1
HC&OP	CC06	<p>Service Description Service Implication Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p> <p>All Services Review Break for Carers Contract This will be achieved -no impact on service as unused hours will not be paid. None Contributes to efficiency savings None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	352	2			Low	Low	SP1
HC&OP	CC07	<p>Service Description Service Implication Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p> <p>Older People Commissioning for Home Care Efficiencies in External Commissioning This includes the effects of implementing CM2000, little anticipated impact on service delivery Reorganise staffing priorities to monitor contract service provision for both internal and external provision. None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	5,644	200			Medium	Low	SP1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC08	<p>Service Description Older People Commissioning for Residential Care Review the range of rates across all spot purchase older people care homes in LBM who have more than 10 clients residing in them with the view to negotiate for more favourable rates.</p> <p>Service Implication High probability of achievement -would have to look to increase number of placements with certain homes in order to generate some additional savings (based upon cost : volume) above the £30,000</p> <p>Staffing Implications None</p> <p>Business Plan implications Impact on other departments Equalities Implications Contributes to efficiency savings None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	6,310	30			Low	Low	SP1
HC&OP	CC09	<p>Service Description Learning Disability Residential care Care Funding Calculator Review of existing high cost residential care packages to negotiate fair price and negotiation of fair price on all new residential care packages</p> <p>Staffing Implications Post of LD Placement Broker to be filled on a 2 year internal secondment basis</p> <p>Business Plan implications Impact on other departments Equalities Implications In line with the aim of delivering cost effective, person centred services. None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	7,502	100			Medium	Medium	SP1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC10	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p> <p>All sections Propose an inflation increase of 0% on all providers. Providers may require that client's are removed from their care (this has been very rare to date). None Contributes to efficiency savings None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	37,184	760			High	Medium	SP1
HC&OP	CC11	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p> <p>Supporting People Supporting People commitments of £250k one-off underspend None, money saved through one-off efficiencies on existing supporting People contracts. None Young Persons supported accommodation scheme unlikely to progress next year due to property valuation None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	3,385	250	(250)		Low	Low	SNS2
HC&OP	CC12	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p> <p>Older People Hanover Homes negotiation Handyperson service will continue to be provided by external providers. With provider Hanover May impact on deliverability of some tasks in older peoples housing strategy None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	68	68			Low	Medium	SP1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC13	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Equipment Pool Budgets Savings from ICES budget through non-funding for certain items e.g. riser chairs and small equipment items. Minimal Risk to users; OT Staff able to focus on core skills; leaner service None None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	370	40			Medium	Medium	SNS2
HC&OP	CC14	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Learning Disability Pool Budgets Savings on transferred LD funding from PCT This money was transferred from the PCT to enable LBM to carry out the transferred functions like finance, billing, care management etc. Using this as a saving means the absorption of extra work in all depts. Extra workload None As stated Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	6,681	100			Low	Medium	SNS2

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC15	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Housing Support Team Deleting Supporting People vacancies If the remaining vacant post is not recruited to, there will be a negative impact on the deliverability of supported accommodation for mental health clients . None None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	184	80			Medium	Medium	SS1
HC&OP	CC16	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>All sections Full year effect of phase one savings in staffing through reconfiguration of the staffing structure in response to Putting People First. Requires reconfiguration of existing management responsibilities. Putting People First management changes (5 posts from tiers 1, 2 and 3); non-frontline staff (3 posts) Little impact Reduced ability to respond to corporate requirements. Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	16,604	45			High	Medium	SS1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC17	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Access & Assessment Reduce staff in Access & Assessment (approx 10); full year amount dependent upon implementation of Self Directed Support process. This means fewer staff to assess needs, plan & review care and problem-solve. It is planned to do this through progress changes without deterioration of quality of service for customers. If this is implemented in 2010/11 it is possible there may be some disruption to service quality. Reduction of approximately 10 staff. Possible impact on access time targets. None. Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	9,344	323			Medium	Medium	SS1
HC&OP	CC18	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Commissioning + Support Services Reduction in staff in Commissioning + Support Services (approx 1) Potential impact on the range of services to people, if staffing resources to lead and support in market development are reduced. There will be some reduction in total FTE in the area of commissioning/support services. Potential impact on increasing the range of services to people, if staffing resources to lead and support in market development are reduced. Potential impact on participation in cross-council work as departmental priorities will come first. Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	2,388	33			Medium	Low	SS1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC19	<p>Service Description</p> <p>Mental Health Review existing high cost supported accommodation placements for mental health patients and arrange transfer to lower cost placements where patients have developed capacity for greater independence and now have lower support needs.</p> <p>Service Implication Will require increased partnership working between CMHTs and LBM Housing Department</p> <p>Staffing Implications Will make increased demands on time of Care Coordinators and LBM Housing or Supporting People officers.</p> <p>Business Plan implications This is consistent with implementation of Recovery and Personalisation strategy.</p> <p>Impact on other departments Will make increased demands on MH and LBM staff.</p> <p>Equalities Implications Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	1,778	70			Medium	Medium	SP1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC21	Service Description	Access & Assessment! Re-provide in-house lunch club at Pollards Hill through the Commonsense Community Trust. The same service will be provided by Commonsense Community Trust rather than Merton. There are three members of staff employed.	9,344	10			Medium	Medium	SS1
		Service Implication								
HC&OP	CC22	Staffing Implications	None	9,344	19			Low	Medium	SS1
		Business Plan implications	None							
		Impact on other departments	Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.							
		Equalities Implications	Direct Provision Salary savings in MASCOT A managerial restructure is planned as part of Target Operating Model work; we feel there are no service implications A post will go; cover can be provided by restructure. The post is losing funding from Supporting People grant so we would need to find growth to retain. As noted as part of TOM a restructure of management arrangements are planned. Minimal Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.							

DEPARTMENT: COMMUNITY & HOUSING SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC23	<p>Service Description Service Implication</p> <p>All Services Review of savings identified in 2007. Re-provide in-house home care service through external providers and reduce the home care working providing only a re-ablement service. This contributed £162k towards the CHS22 identified in 2007. This is the net saving after taking into account the cost of re-provision. The £100k saving on physical disability placements identified in 2007 (CHS26) will be achieved through applying the care funding calculator. The total saving due to the care funding calculator will be £200k (including CC09).</p> <p>Staffing Implications Staff released under the VR scheme save TUPE costs on outsourced contracts. Will overspend if these savings are applied against the budgets on top of the savings identified to date. None</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase</p>	400	-178			High	Medium	SP1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC29	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Commissioning + Support Services Review of project officers Reduction in long-term project and change capacity; short-term alternative funding available until March 2011 Potential redundancies in 2011 if alternative employment is not available. No significant impact No significant impact Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	2,388	35	7		Medium	Low	SS1
HC&OP	CC30	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Commissioning + Support Services Review of commissioning management structure Part of Adult Services Transformation programme. This is from planned savings to deliver efficient commissioning management function. Re-structure of the Supporting People function in line with change to Grant conditions. Some risks of meeting reporting requirements to CLG if this govt dept maintains current level of expectations. Reduction in management post through compulsory redundancy. No Possibility of developing closer working relationship with partners as result of changes in Grant conditions. Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>	2,388	52	10		Medium	Medium	SS1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC31	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications Impact on other departments Equalities Implications</p>	2,388	33	4		Medium	Medium	SS1
		<p>Commissioning + Support Services Review of commissioning Part of Adult Services Transformation programme. This is from planned savings to deliver efficient commissioning function. Most of this can be absorbed in new ways of working. Reduction in Planning and Commissioning post resulting in compulsory redundancies and acceptance of voluntary redundancies. None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>							
HC&OP	CC32	<p>Service Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan Implications Impact on other departments Equalities Implications</p>	1,403	106	6		Low	Medium	SS1
		<p>Direct Provision Reduction in staff in Direct Provision We are making changes to our Management arrangements across Direct Provisions in line with Lean thinking and TOM arrangements; this will be achieved through a mixture of deleting vacant posts accepting Voluntary Redundancy requests and one compulsory redundancy. The intention is to streamline management and preserve front line posts. Front line posts are being preserved; managers will work more across services within Direct Provision, in line with TOM plans and Lean arrangements. No significant impact None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they affect people in this category.</p>							

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC33	Service Description Service Implication	1,693	38			Low	Medium	SP1
		Staffing Implications							
		Business Plan implications impact on other departments Equalities Implications							
HC&OP	CC34	Service Description Service Implication	9,344	106	5		High	Medium	SP1
		Staffing Implications							
		Business Plan implications impact on other departments Equalities Implications							

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	LI01	Libraries & Heritage Give up "operational leasing budget" none - this budget line has now been capitalised so can be removed from the revenue budgets	54	54			Low	Low	SNS2
		Service Description Service Implication							
		Staffing Implications							
		Business Plan implications Impact on other departments Equalities Implications							
SC	LI02	Libraries & Heritage Reduce periodicals fund Reduction in tilts offered to public, but 08/09 spend was under by £8k	32	8			Low	Low	SNS2
		Service Description Service Implication							
		Staffing Implications							
		Business Plan implications Impact on other departments Equalities Implications							

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	LI03	<p>Libraries & Heritage Delete posts Part of this is from planned savings following implementation of new technology for self-service; part is from vacant posts. Most of this can be absorbed in new ways of working.</p> <p>Staffing Implications Some redundancies may occur unless natural wastage occurs in required areas. New ways of working should give improved contact with users. None</p> <p>Business Plan implications Impact on other departments Equalities Implications None None None</p>	1,726	146			Medium	Medium	SS1
SC	AE01	<p>Merton Adult Education Net savings in staffing following Curriculum changes Part of service modernisation programme to meet with "Machinery of Government changes" meeting funding requirements.</p> <p>Staffing Implications Some redundancies may occur but mostly will be a reduction on volume of hourly cost. New ways of working should give improved quality service to learners on which funding is dependant on. none none none</p> <p>Business Plan implications Impact on other departments Equalities Implications none none none</p>	1,966	25			Medium	Low	SS2
SC	AE02	<p>Merton Adult Education Staff Training Reduction, mainly in tutors training. Any specific training will be externally funded under Government Initiative drive. none none none none</p> <p>Staffing Implications none none none none</p>	17	3			Medium	Low	SNS2

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	AE03	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	9	2			High	Low	SNS2
		<p>Merton Adult Education Computer Hardware The NIACE (The National Institute of Adult Continuing Education) provides, on application, regular funding on capital expenditure for training purposes. None None None None</p>							

DEPARTMENT: COMMUNITY AND HOUSING (HOUSING GENERAL FUND) SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	H1	<p>Decision Package/Service Description Housing Needs Homelessness - payments to providers of temporary accommodation for residents owed a housing duty under the Housing Act 1996 Part 7.</p> <p>Service Implication This is a statutory service and is dependent on demand. If current trends continue there should be little impact.</p> <p>Staffing Implications None</p> <p>Business Plan implications Little Impact</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	674	59	0	0	Medium	Medium	SP1
SC	H2	<p>Decision Package/Service Description Supporting People Supporting People Programme Grant(contracts)</p> <p>Service Implication Programme grant. Will have to find efficiency savings on contracts and may impact if no inflation is agreed.</p> <p>Staffing Implications None</p> <p>Business Plan implications Little Impact</p> <p>Impact on other departments Little Impact</p> <p>Equalities Implications None</p>	172	20	0	0	Low	Low	SP1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	LI04	Libraries & Heritage	1,726	19			Medium	Medium	SS1
		Delete Learning Support Assistant posts Dedicated homework club support removed but these services now provided in other settings, effectiveness of support in library setting doubtful. Access to library space and information will continue. Redundancy possible unless redeployment opportunities arise							
		Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications							
SC	AE04	Merton Adult Education	25	10			Low	Medium	SI2
		Examination fees Esol non free learners originally had exam fees paid by college. From Sept 2009, learners will be charged for exam entries							
		Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications							

DEPARTMENT: COMMUNITY & HOUSING SAVINGS: 2010-2013

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	LI05	<p>Libraries & Heritage Delete posts While self-service technology enables some freeing up of staff these reductions may create pressure points on opening hours where sickness and annual leave coincide to a greater extent. Extra time will be taken in redeploying staff from normal workplaces.</p> <p>Staffing Implications These are all vacant posts, 0.5FTE being a backroom post with limited impact. The remaining 1.07 FTEs are front-line.</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>	1,726	38			Low	Medium	SS1
SC	AE05	<p>Merton Adult Education Savings in staffing following review of structure This saving will place more pressure on our co-ordinating borough wide partnership activities relating to informal learning</p> <p>Staffing Implications This post which is currently vacant.</p> <p>Business Plan implications none</p> <p>Impact on other departments none</p> <p>Equalities Implications none</p>	1,966	21			Low	Medium	SS2
Total Community & Housing Department Savings for 2010-2013				3,352	-218	0			

Growth 2010/11 - All Departments

Cabinet 22nd February 2010

GROWTH ANALYSIS - All Departments 22nd February 2010

		2010/11	2011/12	2012/13
		£000	£000	£000
GI1	Income: Decrease due to fall in demand for service	810	410	35
GI2	Income: Decrease due to reduction/deletion of service	0	15	0
GS1	Staffing: increase in level of service	549	-212	0
GS2	Staffing: New service	0	0	0
GNS1	Non - Staffing: increase in level of service	204	-85	-44
GNS2	Non - Staffing: New service	524	-487	0
GP1	Addition to Procurement / Third Party arrangements	1,149	149	2,619
GPROP	Increase in Property Related costs	0	0	0
		3,236	-210	2,610

DEPARTMENT: CHIEF EXECUTIVES GROWTH: 2010-2013

Panel	Ref	Description of Growth			2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)	
CC	CEG1	Decision Package/Service Description	<p>Chief Executives</p> <p>To support the delivery of the Transformation programme across the Council. Additional resources are needed to 'pump prime' transformational activity and support specific projects. This expenditure growth provides for:-</p> <p>Support to the Lean project (consultant costs and the cost of backfilling lean champions during their secondment) = £317k</p> <p>A new Head of Procurement = £91k and Programme office and support to projects (programme support officer, part time project manager for support services model implementation and part time support to one other (as yet unspecified) project =£92k</p> <p>Over time it is anticipated that the transformation programme will be self funding.</p> <p>None</p> <p>One new full time post, 8 temporary posts (Apr – Jan) filled by secondees and One fixed term post (until Mar 11)</p> <p>None</p> <p>Other departments have made secondees available as Lean champions for the Lean project and are managing with temporary arrangements or gaps.</p> <p>None</p>			500	(425)		GS1/GNS2
		Service Implication Staffing Implications							
		Business Plan implications Impact on other departments							
		Equalities Implications							
Total Chief Executives Department Growth for 2009-2012					500	-425	0		

Panel

- C&YP Children & Young People
- CC Corporate Capacity
- HC&OP Healthier Communities & Older People
- SC Sustainable Communities
- O&SC Overview & Scrutiny Commission

Type of Growth Key

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

DEPARTMENT: CORPORATE SERVICES GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
CC	CSG1	Decision Package/Service Description	274	(274)		GNS2
		Service Implication Staffing Implications				
		Business Plan implications Impact on other departments Equalities Implications				
CC	CSG2	Decision Package/Service Description	30	30	35	G11
		Service Implication Staffing Implications				
		Business Plan implications Impact on other departments Equalities Implications				
CC	CSG3	Decision Package/Service Description	65	42	2	GP1
		Service Implication Staffing Implications				
		Business Plan implications Impact on other departments Equalities Implications				

DEPARTMENT: CORPORATE SERVICES GROWTH: 2010-2013

Panel	Ref	Description of Growth				2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
CC	CSG4	IT Services							
		Decision Package/Service Description	Provide a disaster recovery service from an off-site data centre. The exact mode of the DR arrangement will be decided after a detailed study of options, risks, and requirements to restart critical services in case of a major disaster affecting the civic centre						
		Service Implication	The current IT set-up has no off-site DR arrangement. In case of a major outage of the civic centre (outage lasting more than 5 days) many of the critical services will be put at risk e.g. information of children and vulnerable adults will not be readily available, leaving these people at risk.	70	7	7		GP1	
		Staffing Implications	Staff would be expected to work from home or from a nominated business continuity site. Critical staff would be given first preference for access to IT facilities.						
CC	CSG5	Business Plan Implications	All departments rely on a high level availability of IT facilities. Different systems become critical at different times of the year.						
		Impact on other departments							
		Equalities Implications							
		IT Services							
		Decision Package/Service Description	To increase Merton's internet connection from 30mb/s to 60mb/s by 2012 in two stages over two years	6	6			GP1	
		Service Implication	To improve and develop Merton's connection to the internet to ensure Merton has the appropriate connection to allow efficient and effective service delivery and remote working as required.						
		Staffing Implications	None						
		Business Plan implications	This will support Merton's Partnership objectives of delivering services with other partnership members. This would support Merton's Disaster Recovery strategy for remote access to Merton's network.						
		Impact on other departments	To improve and develop Merton's connection to the internet to ensure Merton has the appropriate connection to allow efficient and effective service delivery and remote working as required.						
		Equalities Implications	None						

DEPARTMENT: CORPORATE SERVICES GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
CC	CSG7	<p>Decision Package/Service Description</p> <p>Legal Services</p> <p>To meet the increase in the workload for the social services legal team. In April 2008 the number of care proceedings amounted to 20; the number of care proceedings is now 40. This increase has coincided with the Baby Peter case. An additional lawyer is required to meet this demand which shows no sign of decreasing. The increase in workload has resulted in the increased use of Counsel and a significant overspend in that budget. An additional lawyer will mean the lawyers will be able to return to a position where they are able to deal with more of their own advocacy and reduce spend on counsel's fees.</p> <p>To meet the need for additional legal support required by Children's Social Care</p> <p>To increase the number of social services lawyers from 3FTE to 4FTE</p> <p>Service Implication Staffing Implications Business Plan Impact on other departments Equalities Implications</p> <p>Good legal support is essential in ensuring children and young people are kept healthy and safe</p> <p>To meet the extra demands on Children's Social Care</p> <p>None</p>	49			GS1
Total Corporate Services Department Growth for 2009-2012			494	-189	44	

Panel

- C&YP Children & Young People
- CC Corporate Capacity
- HC&OP Healthier Communities & Older People
- SC Sustainable Communities
- O&SC Overview & Scrutiny Commission

Type of Growth Key

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

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
C&YP	CSF 1	<p>Description Service Implications</p> <p>Increases in budgets in Children's Social Care in response to volume pressures Volume pressures in children's social care services have increased both nationally and in Merton following the Baby Peter case. Numbers of assessments, section 47 investigations, children subject to child protection plans and looked after children have increased significantly. In year additional resources have been provided during 2009-10 and growth is now needed to 'build in' additions to base budgets. As the service will be reviewed in 2010-11 with the aim of reducing volumes/staffing to pre Baby Peter levels and increase cheaper, in house fostering capacity (although it should be noted that central government may impose expectations eg levels of risk/caseload limits which would impact on any attempt to rebalance these budgets) this growth bid is not seeking to fully fund all additional staffing/LAC placements costs currently being incurred. The bid will fund ;</p> <p>i) 3 essential posts (Referral Reduction Project Worker; LSCB Independent Chair; additional Child Protection Conference Chair)</p> <p>ii) retention allowances for some social work staff;</p> <p>iii) additional placement and transport costs;</p> <p>iv) costs of essential additional court assessments commissioned externally and additional Care First user licences for additional social work staff.</p> <p>v) Officers will take all reasonable steps to manage and reduce the additional pressures to allow revised budget limits to be met. However, requests for further funding through corporate contingency may need to be made.</p> <p>Safeguarding and promoting the welfare of children in Merton is a key business plan priority</p> <p>None</p> <p>See above</p> <p>Business Plan implications Impact on other departments Staffing Implications Equalities Implications</p> <p>Children vulnerable to harm and needing to be looked after in public care are key equalities groups.</p>	150 100 250 60	15		GS1 GS1 GP1 GNS1 GNS1

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
C&YP	CSF 2	<p>Description Service Implication</p> <p>Special Educational Needs Transport The Authority is required by statute to assess transportation needs as part of the SEN statementing process. Whilst the cost of SEN Statements falls on the Dedicated Schools Grant the cost of SEN Transport falls on the Local Authority. Demographic data suggests that the number of statemented children will rise in the medium term with some additional placements made in the independent sector. An internal review of transport arrangements in 2009 has reduced the anticipated growth requirement by reviewing and reducing eligibility and by rationalising routes. A further corporate transport review may reduce costs in the medium term but need to plan for the volume growth anticipated and keep under review.</p> <p>Business Plan implications Impact on other departments Staffing Implications</p> <p>Improving services for children with disabilities including those with SEN are business plan priorities The bulk of Special Educational Needs Transport is provided by the Fleet Transport Service within the Environment and Regeneration Department None Children with disabilities including those with Special Educational Needs are a key equalities group</p>	150	150	150	GP1

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
LC	CSF 3	<p>Description - Service Implication - Contracting Costs Additional potential costs for school related contracts for the council to meet.</p> <p>Business Plan implications Impact on other departments Staffing Implications - Equalities Implications -</p>	496			GP1
Total Children, Schools and Families Department Growth for 2009-2012			1,206	165	150	

Type of Growth Key

GI1	Income: Decrease due to fall in demand for service	C&YP	Children & Young People
GI2	Income: Decrease due to reduction/deletion of service	CC	Corporate Capacity
GS1	Staffing: increase in level of service	HC&OP	Healthier Communities & (
GS2	Staffing: New service	SC	Sustainable Communities
GNS1	Non - Staffing: increase in level of service		
GNS2	Non - Staffing: New service		
GPI	Addition to Procurement / Third Party arrangements		
GPROP	Increase in Property Related costs		

DEPARTMENT: ENVIRONMENT AND REGENERATION GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
SC	ERG1	Decision Package/Service Description	144	(100)	(44)	GNS1
		<p>Spatial Policy</p> <p>Independent public examination of the Core Strategy and Waste DPD - Inspectors' fees, programme officer salaries, consultation and research required by examination process for both plans)</p> <p>Council is required to deliver a sound Core Strategy (the new development plan for the borough, replacing the UDP). Without it Merton will have no locally specific planning policies and will have to increasingly rely on the Mayor's London Plan to consider planning applications. Core Strategy and Waste Plan required by statute. Waste Plan examination will aid waste procurement contract.</p> <p>The Core Strategy requires recruitment of a programme officer for the duration of the examination to organise the examination and liaison between Inspector and Merton Council. Must be independent of existing Council planning staff. Waste Plan examination also requires programme officer, will be shared between the four partner boroughs.</p> <p>Core Strategy and Waste Plan part of Merton's Local Development Framework (LDF), helping deliver the Sustainable Community Strategy. LDF listed as one of key planning mechanisms for Council in Business Plan 2009-12</p> <p>If the examination is successful, Core Strategy adoption would impact on all departments with any property holdings or interests in the physical environment (i.e. all depts)</p> <p>None by this request (Equalities Impact Assessments were carried out as part of the preparation of the Core Strategy and Waste Plan)</p>				
SC	ERG2	Decision Package/Service Description	30	40	(70)	GP1
		<p>Highways</p> <p>Procurement costs for a new Highways Maintenance and Improvement Term Contract</p> <p>The Highway Maintenance and Improvement Term contract covers all emergency, routine and planned maintenance and Highway Improvement schemes in Merton.</p> <p>There are no resources in Traffic and Highways Services to undertake the procurement of the new contract. External Specialist Consultancy resource will be needed to provide legal and Technical advice and support in house resources.</p> <p>The new Term contract will provide an opportunity to review the specifications and explore options that could consolidate the delivery of other services under one contract and result in cost savings.</p> <p>Input from Legal and procurement teams required.</p> <p>The effective maintenance of the Highway plays an essential role in providing safe access on Merton's Highway, particularly for disadvantaged groups such as the less able and the elderly.</p>				

DEPARTMENT: ENVIRONMENT AND REGENERATION GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
SC	ERG3	<p>Decision Package/Service Description</p> <p>Service Implication</p> <p>Staffing Implications Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	110	220		GP1
<p>Leisure Centres</p> <p>Increase in the annual payment once the long term Leisure Centre Contract is let from Dec 2010. Assumed new annual contract sum = £400k</p> <p>The Leisure Centre Contract is currently being tendered with an upper affordability limit of £400k, this figure being based on the current contractor's operating figures. This figure, subject to final negotiations, will secure a long-term arrangement with a leisure centre operator for 15 years thus ensuring public leisure provision in each of Mitcham, Morden and Wimbledon which is in accordance with the findings of the 2008 Scrutiny Review on Sports & Leisure Facilities.</p> <p>None.</p> <p>Business Plan Areas:- Children and Young People; Healthier Communities & Older People; Sustainable Communities and Safer & Stronger.</p> <p>The leisure centres are available to all the public offering a universal service to local people. This service contributes to addressing the physical and mental health and well-being agendas, reducing obesity, increasing physical activity, learning to swim (curriculum requirement for schools), keeping people engaged in positive activities through activities, events, clubs and classes.</p> <p>If the leisure centres were not available for public use there would be fewer active people, thus causing an increased requirement on the health services. There would be less opportunities for people to engage in positive activities and this loss could cause increased pressures on both the health authority and the police. There would be less places for children to go causing increased pressures on schools and the police as well as the schools being unable to deliver their national curriculum requirement of delivering learning to swim programmes.</p> <p>Leisure Centres provide a universal service for all people, however they also recognise that some groups and individuals still find the environment of a leisure centre daunting, so specific engagement programmes are delivered to ensure all people have an equal opportunity to participate.</p>			284	160	(114)	
Total Department Growth for 2010-2013						

Panel

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

Type of Growth Key

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

DEPARTMENT: COMMUNITY & HOUSING GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
HC&OP	CCG01	<p>All Services Demographic Growth in Placements: Learning Disability Physical Disability and Sensory Impairment Older People Mental Health No recourse to public funds Unallocated placement budgets MTFS growth agreed for 2009/10 in 07/08 MTFS growth agreed for 2009/10 in 08/09</p> <p>Service Implication This relates to the increase in service users; increase in intensity of care required in some cases and the reduction in service requirements in other cases. None</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Service Implication This is required to provide critical and substantial services to vulnerable adults. None</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>	851	1,482	2,133	GP1
			263	390	508	
			390	-259	-845	
			77	179	261	
			23	145	283	
			-398	-416	-433	
			-285	0	0	
			-949	-1,240	0	
			-28	281	1,907	
HC&OP	CCG02	<p>All Services Inflation above 1.5% Learning Disability Physical Disability and Sensory Impairment Older People Mental Health No recourse to public funds MTFS contractual above Inflation adjustment</p> <p>Service Implication A 1.5% inflation increase is built into the MTFS for future years. This item accounts for the additional inflation requirement on external social care block and spot providers. None</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Service Implication This is required to provide critical and substantial services to vulnerable adults. None</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>	0	70	215	GP1
			0	23	66	
			0	95	282	
			0	16	49	
			0	3	11	
			0	-804		
			0	-597	623	

DEPARTMENT: COMMUNITY & HOUSING GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)
HC&OP	CCG03	<p>Service Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>		15		GI2
		<p>All Services Increase in Care First Maintenance Costs Carefirst is the primary system used to record care provision to clients. This system is also used to bill clients. The additional ongoing revenue costs have been split equally between Adult Social Care and Children's Social Care who both use the system. None None None None</p>				
HC&OP	CCG04	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	400			GI1
		<p>Concessionary Fares Anticipated reduction in government grant due to change in calculation - subject to consultation Required to maintain concessionary fares for older and disabled people. None None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>				

DEPARTMENT: COMMUNITY & HOUSING GROWTH: 2010-2013

Panel	Ref	Description of Growth	2010/11 £000	2011/12 £000	2012/13 £000	Type of Growth (see key)	Brought forward to 31/12/07	Explanation	Code
HC&OP	CCG05	<p>Service Description Service Implication</p> <p>All Services Free Personal Care at Home Central Government is proposing legislation to introduce Free Personal Care at Home to clients that has a certain level of need. This means that the council will be unable to charge some people meeting our eligibility criteria already using our services, and that some people who currently arrange and fund their own care may be able to look to the council to this free of charge to them. In order to implement this it would also mean changes to IT systems. The bill is currently in the consultation stage.</p> <p>None</p> <p>Staffing Implications</p> <p>None</p> <p>Business Plan implications impact on other departments</p> <p>None</p> <p>Equalities Implications</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>	380	380		G11			
Total Community & Housing Department Growth for 2009-2012			752	79	2,530				

Panel

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

Type of Growth Key

- G11 Income: Decrease due to fall in demand for service
- G12 Income: Decrease due to reduction/deletion of service
- GS1 Staffing: increase in level of service
- GS2 Staffing: New service
- GNS1 Non - Staffing: increase in level of service
- GNS2 Non - Staffing: New service
- GP1 Addition to Procurement / Third Party arrangements
- GPROP Increase in Property Related costs

Type of Growth Key

- G11 Income: Decrease due to fall in demand for service
- G12 Income: Decrease due to reduction/deletion of service
- GS1 Staffing: increase in level of service
- GS2 Staffing: New service
- GNS1 Non - Staffing: increase in level of service
- GNS2 Non - Staffing: New service
- GP1 Addition to Procurement / Third Party arrangements
- GPROP Increase in Property Related costs

Panel

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

APPENDIX 8

Merton - Grant Allocations 2010/11	
	£m
DSG	103.925
School Standards Grant	4.925
Ethnic Minority Achievement	1.002
Music Grant	0.243
Playing for Success	0.160
Extended Schools - Sustainability	0.553
Extended Schools - Subsidy	0.462
School Development Grant	3.947
School Lunch Grant	0.254
1-2-1 Tuition	0.820
Targeted Support for Primary & Secondary Strategy	0.807
London Pay Addition Grant	0.553
Early Years - Flexibility of Free Entitlement for 3-4 Year Olds	1.455
Sure Start, Early Years and Childcare	5.144
Youth Opportunity Fund	0.115
Aiming High for Disabled Children	0.620
Targeted Mental Health in Schools	0.158
Think Family Grant	0.356
Two Year Old Offer - Early Learning and Childcare	0.278
Youth Crime Action Plan	-
Challenge and Support Funding	-
Social Care Reform Grant	0.737
Learning Disability Campus Closure Programme	0.294
Stroke Strategy	0.087
Crime Fighting Fund	-
Neighbourhood Policing Fund & CSOs	-
Rule 2 Grants	-
Growth Fund allocations	-
Homelessness	0.120
Area Based Grant	10.878
TOTAL GRANT (£m)	137.892

AREA BASED GRANTS 2010-11

	ABG 2010/11 Allocation £
Merton London Borough	
Aggregate Levy Sustainability Fund	-
Environmental Damage Regulations	319
Pitt review implementation – SWMPs	-
Total DEFRA	319
School Gates Employment	-
Total DWP	-
Community Call for Action/Overview Scrutiny Cmmtte	2,000
Stronger Safer Communities	215,602
Young People Substance Misuse Partnership	61,224
Total Home Office	278,826
Detrunking	-
Road Safety Grant	-
Rural Bus Subsidy	-
Total DfT	-
School Development Grant	247,510
Extended Schools Start-Up Grants	244,262
Primary National Strategy - Central	99,258
Secondary National Strategy - Central Co-ordination	122,162
Secondary National Strategy - Behaviour and Attendance	68,300
School Improvement Partners	55,760
Education Health Partnerships	42,582
School Travel Advisers	17,000
Choice Advisers	24,976
School Intervention Grant	36,600
14 - 19 Flexible Funding Pot	35,147
Sustainable Travel - General Duty	11,890
Extended Rights to Free Transport	3,841
Connexions	1,473,135
Children's Fund	389,060
Child Trust Fund	1,946
Positive Activities for Young People	235,148
Teenage Pregnancy	109,000
Children's Social Care Workforce	79,443
Youth Taskforce	
Care Matters White Paper	189,167
Child Death Review Processes	33,642
Young Peoples Substance Misuse	22,512
Designated Teacher Funding	7,821
Total DCSF	3,550,162

AREA BASED GRANTS 2010-11

	ABG 2010/11 Allocation
Merton London Borough	
Adult Social Care Workforce	435,537
Carers	857,163
Child & Adolescent Mental Health	448,434
Learning & Disability Development Fund	143,335
Local Involvement Networks	122,691
Mental Capacity Act & Independent Mental Capacity	90,950
Mental Health	505,106
Preserved Rights	640,689
Personal Care Grant	-
Total DH	3,243,905
Cohesion	-
Economic Assessment Duty	65,000
Supporting People Administration	106,021
Supporting People	3,385,278
Local Enterprise Growth Initiative	-
Stronger Safer Communities Fund	-
Working Neighbourhood Fund	-
Prevent	225,830
Climate Change	22,500
Total CLG	3,804,629
Total ABG	10,877,841



MERTON COUNCIL
2010/2011 ESTIMATES

SUMMARY - SUBJECTIVE ANALYSIS

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
2,543	2,342

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	97,258	928	(5,639)	92,547
Premises	6,439	91	(249)	6,281
Transport	11,849	347	59	12,255
Supplies and Services	130,336	410	(1,179)	129,567
Third Party Payments	75,853	1,325	(932)	76,246
Transfer Payments	85,685	331	914	86,930
Support Services	34,914	0	(25)	34,889
Depreciation and Impairment Losses	10,182	0	0	10,182
GROSS EXPENDITURE	452,516	3,432	(7,051)	448,897
Income				
Government Grants	(218,095)	0	862	(217,233)
Other Reimbursements and Contributions	(16,238)	0	(299)	(16,537)
Customer and Client Receipts	(46,262)	0	(488)	(46,750)
Recharges	(37,865)	0	3,114	(34,751)
Reserves	709	0	546	1,255
GROSS INCOME	(317,751)	0	3,735	(314,016)
NET EXPENDITURE	134,765	3,432	(3,316)	134,881
Corporate Provisions	15,347	626	1,563	17,536
NET EXPENDITURE	150,112	4,058	(1,753)	152,417
Funded by:				
Formula Grant	66,751		982	67,733
Council Tax	81,961		204	82,165
Collection Fund	1,400		1,119	2,519
	150,112	0	2,305	152,417
	0	4,058	(4,058)	(0)

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	2,624	0.0
Section 117 (one-off in 2009/10)	741	0.0
VAT savings (one-off in 2009/10)	(650)	0.0
LABGI (one-off in 2009/10)	1,106	0.0
Levies	59	0.0
Change in corporate provisions arising from Housing Stock Transfer	(1,807)	0.0
Contingency	900	0.0
Single Status	(2,000)	0.0
Census	50	0.0
Release of growth for loss of income from P3/P4 t/f from E&R	470	0.0
Increase in costs of DR Recovery Centre	70	
TOTAL	1,563	0.0

NB: The Other Variations column incorporates savings proposals of £11.738m and growth of £3.236m together with corporate and technical adjustments and full year effects of previous years' savings and growth approvals which are incorporated in the Medium Term Financial Strategy

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

SUMMARY

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
2,543	2,342

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2010/2011 Estimate £000
	2009/2010 Estimate £000	Inflation £000	Other Variations £000	
Chief Executive's	2,466	56	(281)	2,241
Corporate Services	12,210	420	17	12,647
Education Services				
} CSF	33,002	469	425	33,896
Children's Services				
Environment and Regeneration	32,087	810	(2,201)	30,696
Housing General Fund				
} C&H	55,000	1,677	(1,276)	55,401
Adult Social Care				
Cultural Services				
TOTAL NET SERVICE EXPENDITURE	134,765	3,432	(3,316)	134,881
Corporate Provisions	15,347	626	1,563	17,536
NET EXPENDITURE	150,112	4,058	(1,753)	152,417
Funded by:				
Formula Grant	66,751		982	67,733
Council Tax	81,961		204	82,165
Collection Fund	1,400		1,119	2,519
	150,112	0	2,305	152,417
	0	4,058	(4,058)	(0)

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	2,624	0.0
Section 117 (one-off in 2009/10)	741	0.0
VAT savings (one-off in 2009/10)	(650)	0.0
LABGI (one-off in 2009/10)	1,106	0.0
Levies	59	0.0
Change in corporate provisions arising from Housing Stock Transfer	(1,807)	0.0
Contingency	900	0.0
Single Status	(2,000)	0.0
Census	50	0.0
Release of growth for loss of income from P3/P4 t/f from E&R	470	0.0
Increase in costs of DR Recovery Centre	70	
TOTAL	1,563	0.0

NB: The Other Variations column incorporates savings proposals of £11.738m and growth of £3.236m together with corporate and technical adjustments and full year effects of previous years' savings and growth approvals which are incorporated in the Medium Term Financial Strategy

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

CORPORATE ITEMS ANALYSIS

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Cost of Borrowing including Minimum Revenue Provision	22,362		(1,004)	21,358
Capitalisation	(1,500)			(1,500)
Pension Fund	4,168	755		4,923
Centrally held provision for Utilities inflation including Leisure Centres	846	(129)		717
Bad Debt Provision	500			500
Contingency	2,000		900	2,900
Single Status	2,628		(2,000)	628
Census	0		50	50
Release of growth for loss of income from P3/P4 t/f from E&R	0		470	470
London Pensions Fund - Provision for deficit contribution	62		70	132
Increase in costs of DR Recovery Centre	0		70	70
				0
Levies:-				
Lee Valley	225		2	227
London Pensions Fund	296		(13)	283
Environment Agency	146		2	148
WPCC	260		(2)	258
GROSS EXPENDITURE	31,993	626	(1,455)	31,164
Income				
Investment Income	(3,982)		3,628	(354)
Asset Rentals: Depreciation & Impairment	(10,417)			(10,417)
VAT Savings	(400)		(650)	(1,050)
Section 117	(741)		741	0
LABGI	(1,106)		1,106	0
Change in corporate provisions arising from Stock T/F	0		(1,807)	(1,807)
GROSS INCOME	(16,646)	0	3,018	(13,628)
NET EXPENDITURE	15,347	626	1,563	17,536

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.



2010/2011 ESTIMATES

CHIEF EXECUTIVE'S DEPARTMENT

SUMMARY: CHIEF EXECUTIVE'S DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
39	32

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	2,090	21	(302)	1,809
Premises	96	0	0	96
Transport	5	0	0	5
Supplies and Services	2,175	32	(93)	2,114
Third Party Payments	150	2	0	152
Transfer Payments	0	0	0	0
Support Services	1,335	0	0	1,335
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	5,851	56	(395)	5,512
Income				
Government Grants	(290)	0	0	(290)
Other Reimbursements and Contributions	(18)	0	0	(18)
Customer and Client Receipts	(249)	0	(40)	(289)
Recharges	(2,828)	0	154	(2,674)
Reserves	0	0	0	0
GROSS INCOME	(3,385)	0	114	(3,271)
NET EXPENDITURE	2,466	56	(281)	2,241

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(416)	(7)
07/08 Saving to be implemented in 10/11	(40)	0.00
Housing Stock Transfer Adjustments	175	
TOTAL	(281)	(7)

SUMMARY: CHIEF EXECUTIVE'S DEPARTMENT

FULL TIME EQUIVALENTS
Number of FTE Staff

2009/10	2010/11
39	32

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2010/2011 Estimate £000
	2009/2010 Estimate £000	Inflation £000	Other Variations £000	
Corporate Comms	(53)	7	(117)	(163)
PPP	2,519	49	(164)	2,404
Other	0	0	0	0
TOTAL EXPENDITURE	2,466	56	(281)	2,241
Contingency / Other	0	0	0	0
Capital Financing Adjustment	0	0	0	0
Levies	0	0	0	0
NET EXPENDITURE	2,466	56	(281)	2,241

CORPORATE COMMUNICATIONS

This section consists of the Press Office, Internal and external Communications campaigns, production of the staff magazine Xchange and the Council's publication My Merton and Advertising, Filming and Sponsorship

FULL TIME EQUIVALENTS Number of FTE Staff

2009/10	2010/11
10.0	7.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	380	4	(72)	312
Premises	0	0	0	0
Transport	2	0	0	2
Supplies and Services	224	3	(44)	183
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	21	0	0	21
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	627	7	(116)	518
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(249)	0	(40)	(289)
Recharges	(431)	0	39	(392)
Reserves	0	0	0	0
GROSS INCOME	(680)	0	(1)	(681)
NET EXPENDITURE	(53)	7	(117)	(163)

Other Variations are analysed as follows:

Major Items	£000	fte
09/10 Savings Proposals	(116)	(2.5)
07/08 Saving to be implemented in 10/11	(40)	0.00
Housing Stock Transfer Adjustments	39	
TOTAL	(117)	(2.5)

**CHIEF EXEC'S OFFICE AND
POLICY, PARTNERSHIPS AND COMMUNITIES**

This section consists of Policy and Partnerships team, Performance & Business Improvement team, Stronger Communities Team and the Chief Executive's Office

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
29	24

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	1,710	18	(230)	1,498
Premises	96	0	0	96
Transport	3	0	0	3
Supplies and Services	1,951	29	(49)	1,931
Third Party Payments	150	2	0	152
Transfer Payments	0	0	0	0
Support Services	1,314	0	0	1,314
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	5,224	49	(279)	4,994
Income				
Government Grants	(290)	0	0	(290)
Other Reimbursements and Contributions	(18)	0	0	(18)
Customer and Client Receipts	0	0	0	0
Recharges	(2,397)	0	115	(2,282)
Reserves	0	0	0	0
GROSS INCOME	(2,705)	0	115	(2,590)
NET EXPENDITURE	2,519	49	(164)	2,404

Other Variations are analysed as follows:

Major Items	£000	fte
09/10 Savings Proposals	(300)	(5)
Housing Stock Transfer Adjustments	136	
TOTAL	(164)	(5)



2010/2011 ESTIMATES

**CORPORATE SERVICES
DEPARTMENT**

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2009/10	2010/11
495	442
49.3	43.8
543.8	486.1

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	22,487	231	(1,693)	21,025
Premises	2,305	33	(89)	2,249
Transport	173	2	8	183
Supplies and Services	10,772	141	(767)	10,146
Third Party Payments	900	13	(116)	797
Transfer Payments	76,947	0	0	76,947
Support Services	10,109	0	388	10,497
Depreciation and Impairment Losses	480	0	0	480
GROSS EXPENDITURE	124,173	420	(2,269)	122,324
Income				
Government Grants	(79,049)	0	38	(79,011)
Other Reimbursements and Contributions	(985)	0	(200)	(1,185)
Customer and Client Receipts	(6,623)	0	(300)	(6,923)
Recharges	(24,697)	0	2,748	(21,949)
Reserves	(609)	0	0	(609)
GROSS INCOME	(111,963)	0	2,286	(109,677)
NET EXPENDITURE	12,210	420	17	12,647

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(3,089)	(55)
10/11 Growth	994	1
07/08 Savings to be implemented in 10/11	(88)	(4)
07/08 Growth to be implemented in 10/11	38	0
08/09 Savings to be implemented in 10/11	(12)	0
08/09 Growth to be implemented in 10/11	5	0
European Union Directive	190	
MTFS Technical adjustment	(19)	0
Housing Stock Transfer Adjustments	1,998	0
TOTAL	17	(58)

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS
Number of FTE Staff

2009/10	2010/11
495	442

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2010/2011 Estimate £000
	2009/2010 Estimate £000	Inflation £000	Other Variations £000	
Audit & Support	857	141	(441)	557
Customer Services	4,404	69	(720)	3,753
Finance	107	72	(514)	(335)
Civic & Legal	2,568	46	675	3,289
HR	184	33	(138)	79
IT	(141)	46	456	361
Corporate Items	4,231	15	699	4,945
SLA	0	0	0	0
TOTAL EXPENDITURE	12,210	420	17	12,647
Contingency / Other	0			0
Capital Financing Adjustment	0			0
Levies	0			0
NET EXPENDITURE	12,210	420	17	12,647

Other Variations are analysed as follows:

10/11 Savings Proposals	(3,089)	(55)
10/11 Growth	994	1
07/08 Savings to be implemented in 10/11	(88)	(4)
07/08 Growth to be implemented in 10/11	38	0
08/09 Savings to be implemented in 10/11	(12)	0
08/09 Growth to be implemented in 10/11	5	0
European Union Directive	190	
MTFS Technical adjustment	(19)	0
Housing Stock Transfer Adjustments	1,998	0
TOTAL	17	(58)

AUDIT & SUPPORT

The Audit and Support division contains the following sections that are generally diverse stand-alone sections with a limited relationship with each other - Internal Audit, Benefit Investigations, Facilities Management, CHAS, Corporate Risk & Safety, Performance & Development and Print & Graphic Design.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
97	88

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	3,938	39	(249)	3,728
Premises	2,193	32	(89)	2,136
Transport	75	1		76
Supplies and Services	4,776	62	(766)	4,072
Third Party Payments	482	7	(116)	373
Transfer Payments	0	0		0
Support Services	981	0		981
Depreciation and Impairment Losses	38	0		38
GROSS EXPENDITURE	12,483	141	(1,220)	11,404
Income				
Government Grants	(346)	0	0	(346)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(3,938)	0	(288)	(4,226)
Recharges	(7,342)	0	1,067	(6,275)
Reserves	0	0	0	0
GROSS INCOME	(11,626)	0	779	(10,847)
NET EXPENDITURE	857	141	(441)	557

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(794)	-9.67
Housing Stock Transfer Adjustments	353	
TOTAL	(441)	-9.67

CIVIC & LEGAL

The Civic and Legal Services division consists of Democratic Services, Electoral Services, Information Governance, Legal Services, Local Land Charges, Member Services and Registrars.

FULL TIME EQUIVALENTS Number of FTE Staff

2009/10	2010/11
63	61

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	2,890	26	86	3,002
Premises	11	0	0	11
Transport	25	0	8	33
Supplies and Services	1,387	19	74	1,480
Third Party Payments	1	0	0	1
Transfer Payments	0	0	0	0
Support Services	1,285	0	0	1,285
Depreciation and Impairment Losses	8	0	0	8
GROSS EXPENDITURE	5,607	46	168	5,821
Income				
Government Grants	(1)	0	0	(1)
Other Reimbursements and Contributions	(92)	0	0	(92)
Customer and Client Receipts	(715)	0	196	(519)
Recharges	(2,231)	0	311	(1,920)
Reserves				0
GROSS INCOME	(3,039)	0	507	(2,532)
NET EXPENDITURE	2,568	46	675	3,289

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(91)	-2.30
10/11 Growth	353	1.00
Housing Stock Transfer Adjustments	223	
European Union Directive	190	
TOTAL	675	-1.30

CUSTOMER SERVICES

The Customer Services Division consists of , Merton Link (including the Cash Office, Translation Services and contact centre), Care Connect, Support Team, Local Taxation (including Business Rates, Baliff Team and Recovery Team), Benefits Administration and Student Support.

FULL TIME EQUIVALENTS Number of FTE Staff

2009/10	2010/11
146	127

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	4,774	51	(559)	4,266
Premises	33	0		33
Transport	43	1		44
Supplies and Services	1,013	17	(48)	982
Third Party Payments	0	0		0
Transfer Payments	0	0		0
Support Services	3,041	0		3,041
Depreciation and Impairment Losses	215	0		215
GROSS EXPENDITURE	9,119	69	(607)	8,581
Income				
Government Grants	(1,855)	0	38	(1,817)
Other Reimbursements and Contributions	(778)	0	(200)	(978)
Customer and Client Receipts	(1,067)	0	(208)	(1,275)
Recharges	(1,015)	0	257	(758)
Reserves	0	0		0
GROSS INCOME	(4,715)	0	(113)	(4,828)
NET EXPENDITURE	4,404	69	(720)	3,753

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(896)	-15.27
07/08 Savings to be implemented in 10/11	(100)	-4.00
07/08 Growth to be implemented in 10/11	38	0.00
MTFS Technical adjustment	(19)	0.00
Housing Stock Transfer Adjustments	257	
TOTAL	(720)	-19.27

FINANCE

The Financial Services division is composed of a number of discrete operational areas which deliver financial information, advice and support to Budget Managers, Senior Management and the Corporate Management Team, the Executive, Overview and Scrutiny Commission, the Council and individual members. The division includes Departmental Finance, Treasury, Capital, Accounts Payable & Receivable, Corporate Accountancy, Corporate Reporting, Business Solutions and Pensions.

FULL TIME EQUIVALENTS Number of FTE Staff

2009/10	2010/11
114	99

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	5,009	50	(700)	4,359
Premises	2	0	0	2
Transport	4	0	0	4
Supplies and Services	1,247	19	(68)	1,198
Third Party Payments	229	3	0	232
Transfer Payments	0	0	0	0
Support Services	888	0	0	888
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	7,379	72	(768)	6,683
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(115)	0	0	(115)
Customer and Client Receipts	(222)	0	0	(222)
Recharges	(6,935)	0	254	(6,681)
Reserves	0	0	0	0
GROSS INCOME	(7,272)	0	254	(7,018)
NET EXPENDITURE	107	72	(514)	(335)

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(528)	-14.50
Housing Stock Transfer Adjustments	14	
TOTAL	(514)	-14.50

HR

The HR division consists of: Strategic HR, Business Partnerships, Learning & Development, Diversity, Departmental HR, Payroll, Recruitment & Resourcing, Central Operations Team. The function also interfaces with Staff Side. The service is shared with the London Borough of Sutton from 1 October 2009.

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2009/10	2010/11
6	4
49	44
55	48

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	2,184	22	(324)	1,882
Premises	14	0	0	14
Transport	7	0	0	7
Supplies and Services	592	8	(17)	583
Third Party Payments	188	3	0	191
Transfer Payments	0	0	0	0
Support Services	478	0	0	478
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	3,463	33	(341)	3,155
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(558)	0	0	(558)
Recharges	(2,721)	0	203	(2,518)
Reserves	0	0	0	0
GROSS INCOME	(3,279)	0	203	(3,076)
NET EXPENDITURE	184	33	(138)	79

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(291)	(7)
Housing Stock Transfer Adjustments	153	
TOTAL	(138)	(7)

IT

IT Services is responsible for the supply, installation and maintenance of the council's ICT infrastructure, systems and services. This includes hardware, software, applications, telephones and web sites. The division is also responsible for Merton's ICT strategy, policy and security, and manages several projects for the council.

FULL TIME EQUIVALENTS Number of FTE Staff

2009/10	2010/11
69	63

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	2,787	30	(258)	2,559
Premises	52	0	0	52
Transport	19	0	0	19
Supplies and Services	1,090	16	58	1,164
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	198	0	0	198
Depreciation and Impairment Losses	219	0	0	219
GROSS EXPENDITURE	4,365	46	(200)	4,211
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(123)	0	0	(123)
Recharges	(4,383)	0	656	(3,727)
Reserves	0	0	0	0
GROSS INCOME	(4,506)	0	656	(3,850)
NET EXPENDITURE	(141)	46	456	361

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(300)	-6.20
10/11 Growth	141	
07/08 Growth to be implemented in 10/11	12	0.00
08/09 Savings to be implemented in 10/11	(12)	0.00
08/09 Growth to be implemented in 10/11	5	0.00
Housing Stock Transfer Adjustments	610	
TOTAL	456	-6.20

CORPORATE MANAGEMENT

Corporate Management is composed of Housing Benefit subsidy payments and entitlements, severance payments and work relating to the Transformation Programme.

FULL TIME EQUIVALENTS Number of FTE Staff

2009/10	2010/11
N/A	N/A

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees*	905	14	311	1,230
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	667	1	0	668
Third Party Payments	0	0	0	0
Transfer Payments	76,947	0	0	76,947
Support Services	3,238	0	388	3,626
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	81,757	15	699	82,471
Income				
Government Grants	(76,847)	0	0	(76,847)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Recharges	(70)	0	0	(70)
Reserves	(609)	0	0	(609)
GROSS INCOME	(77,526)	0	0	(77,526)
NET EXPENDITURE	4,231	15	699	4,945

Other Variations are analysed as follows:

Major Items	£000	fte
10/11 Savings Proposals	(189)	0
10/11 Growth	500	
Housing Stock Transfer Adjustments	388	
TOTAL	699	0

* The employee budgets shown here relate to employee redundancy payments. There are no FTE's



2010/2011 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

2009/10	2010/11	DSG	LA
496.0	479.2	176.6	302.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000	2010/2011 Estimate £000	2010/2011 Estimate £000
Expenditure						
Employees	28,023	215	(625)	27,613	8,461	19,151
Premises	711	6	0	717	413	304
Transport	2,774	57	145	2,976	55	2,922
Supplies and Services	109,565	130	55	109,750	106,531	3,219
Third Party Payments	15,023	56	324	15,403	11,560	3,843
Transfer Payments	305	5	0	310	0	310
Support Services	3,719	0	0	3,719	301	3,418
Depreciation and Impairment Losses	3,812	0	0	3,812	3,719	93
GROSS EXPENDITURE	163,932	469	(101)	164,300	131,040	33,260
Income						
Government Grants	(126,816)	0	(20)	(126,836)	(124,803)	(2,032)
Other Reimbursements and Contributions	(2,340)	0	0	(2,340)	(1,628)	(711)
Customer and Client Receipts	(2,609)	0	0	(2,609)	(1,061)	(1,548)
Interest	0	0	0	0	0	0
Recharges	(563)	0	0	(563)	0	(563)
Reserves	1,398	0	546	1,944	0	1,944
GROSS INCOME	(130,930)	0	526	(130,404)	(127,492)	(2,910)
NET EXPENDITURE	33,002	469	425	33,896	3,548	30,350

Other Variations are analysed as follows:

Major Items	£000	fte
Growth 2010/11	1,206	3
Savings 2010/11	(1,151)	
Full Year effects of previous years growth	320	
Increase in schools contract	50	
TOTAL	425	3.0

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

2009/10	2010/11	DSG	LA
4.0	4.0	0.0	4.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000	DSG Estimate £000	LA Estimate £000
Expenditure						
Employees	899	8	0	907	0	907
Premises	4	0	0	4	0	4
Transport	6	0	0	6	0	6
Supplies and Services	123	1	(5)	119	0	119
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	657	0	0	657	0	657
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	1,689	9	(5)	1,693	0	1,693
Income						
Government Grants	0	0	0	0	0	0
Other Reimbursements and Contributions	(12)	0	0	(12)	0	(12)
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	(12)	0	0	(12)	0	(12)
NET EXPENDITURE	1,677	9	(5)	1,681	0	1,681

Other Variations are analysed as follows:

Major Items	£000	fte
<u>MTFS</u>		
CSF 6 Festival of Flight	(5)	0.0
TOTAL	(5)	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

2009/10	2010/11	DSG	LA
184.8	182.6	1.0	181.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000	DSG Estimate £000	LA Estimate £000
Expenditure						
Employees	8,554	80	18	8,652	58	8,594
Premises	84	1	0	85	0	85
Transport	194	6	0	200	0	200
Supplies and Services	2,138	32	60	2,230	1	2,229
Third Party Payments	3,283	30	600	3,913	0	3,913
Transfer Payments	301	5	0	306	0	306
Support Services	1,174	0	0	1,174	0	1,174
Depreciation and Impairment Losses	92	0	0	92	0	92
GROSS EXPENDITURE	15,820	154	678	16,652	59	16,593
Income						
Government Grants	(1,229)	0	0	(1,229)	0	(1,229)
Other Reimbursements and Contributions	(103)	0	0	(103)	0	(103)
Customer and Client Receipts	(82)	0	0	(82)	0	(82)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(1,414)	0	0	(1,414)	0	(1,414)
NET EXPENDITURE	14,406	154	678	15,238	59	15,179

Other Variations are analysed as follows:

Major Items	£000	fte
<u>MTFS</u>		
CSF 3 Additional Duties Towards Looked After Children	350	0.0
<u>Growth</u>		
CSF 1 Increased Pressure on Children's Social Care Budgets	560	3.0
<u>Savings</u>		
CSF 8 Delete Common Assessment Framework (CAF) Co-ord. Supp. Post	(22)	(0.7)
CSF 9 Delete Two Management. Posts and Create One Combined Post	(54)	(1.0)
CSF 10 Delete 0.5 fte Policy and Procedures Post for Social Care	(23)	(0.5)
CSF 16 Combine CTB and LSCB Devel. Functions and Delete One Post	(45)	(1.0)
CSF 27 Reduce Family Support Co-ordinators from 3fte to 2fte	(35)	(1.0)
CSF 28 Deletion of One Practitioner Post in 16 Plus Team	(53)	(1.0)
TOTAL	678	(2.2)

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

2009/10	2010/11	DSG	LA
60	59.6	14.1	45.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000	DSG Estimate £000	LA Estimate £000
Expenditure						
Employees	3,425	33	(47)	3,411	611	2,800
Premises	155	2	0	157	15	142
Transport	65	1	0	66	9	57
Supplies and Services	1,263	22	(5)	1,280	533	747
Third Party Payments	1,351	21	(66)	1,306	180	1,126
Transfer Payments	4	0	0	4	0	4
Support Services	314	0	0	314	18	296
Depreciation and Impairment Losses	88	0	0	88	0	88
GROSS EXPENDITURE	6,665	79	(118)	6,626	1,366	5,260
Income						
Government Grants	(2,314)	0	0	(2,314)	(5)	(2,309)
Other Reimbursements and Contributions	(557)	0	0	(557)	(170)	(387)
Customer and Client Receipts	(61)	0	0	(61)	(56)	(5)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(2,932)	0	0	(2,932)	(231)	(2,701)
NET EXPENDITURE	3,733	79	(118)	3,694	1,135	2,559

Other Variations are analysed as follows:

Major Items	£000	fte
<u>MTFS</u>		
CSF 4 Youth Inclusion and Support Panel	35	1.0
<u>Savings</u>		
CSF 11 Virtual Behaviour Team	(29)	0.0
CSF 12 Offset Standards Fund against Salaries	(8)	0.0
CSF 13 Combine YAP and Youth Services Detached Teams	(5)	0.0
CSF 14 Reconfigure Education Welfare Service	(20)	(0.5)
CSF 15 Delete 2 CfBT Personal Advisors	(66)	0.0
CSF 29 Delete 0.6 fte Financial Assistant Role	(15)	(0.6)
CSF 30 Reduction of 0.3 fte Youth and Inclusion Worker	(10)	(0.3)
TOTAL	(118)	(0.4)

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Commissioning, Strategy and Partnerships

This page contains the budgets for Policy, Planning & Performance, Joint Commissioning & Partnerships, Contract Procurement & School Organisation and ICT & Business Support.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11	DSG	LA
59	50.4	13.6	36.8

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000	DSG Estimate £000	LA Estimate £000
Expenditure						
Employees	2,730	30	(357)	2,403	256	2,147
Premises	11	0	0	11	0	11
Transport	30	0	(5)	25	7	18
Supplies and Services	1,309	35	5	1,349	744	605
Third Party Payments	6	0	0	6	0	6
Transfer Payments	0	0	0	0	0	0
Support Services	410	0	0	410	34	376
Depreciation and Impairment Losses	70	0	0	70	0	70
GROSS EXPENDITURE	4,566	65	(357)	4,274	1,041	3,233
Income						
Government Grants	(451)	0	0	(451)	(188)	(263)
Other Reimbursements and Contributions	(226)	0	0	(226)	(430)	204
Customer and Client Receipts	(841)	0	0	(841)	0	(841)
Interest	0	0	0	0	0	0
Recharges	(563)	0	0	(563)	0	(563)
Reserves	0	0	0	0	0	0
GROSS INCOME	(2,081)	0	0	(2,081)	(618)	(1,463)
NET EXPENDITURE	2,485	65	(357)	2,193	423	1,770

Other Variations are analysed as follows:

Major Items	£000	fte
MTFS		
CSF 2 16+ Education Commissioner	(60)	(1.0)
Savings		
CSF 1 Delete Service Manager ICT	(88)	(1.0)
CSF 2 Delete Premises Development Officer	(40)	(1.0)
CSF 3 Delete 0.5 fte Principal Contracts Officer	(22)	(0.5)
CSF 17 Delete 4 wte Personal Assistants/Admin Officers	(80)	(3.5)
CSF 18 Deletion of 0.5 fte Research and Information Officer	(15)	(0.5)
CSF 23 Restructure the Research and Information Service Reducing 0.8 fte	(36)	(0.8)
CSF 24 Restructure Complaints and Customer Services reducing 0.3 fte	(16)	(0.3)
TOTAL	(357)	(8.6)

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Education

To page contains the budgets for School Standards & Quality, Extended Schools, Early Years & Children's Centres, Special Educational Needs, SMART Centre and the Virtual School.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11	DSG	LA
188.2	182.6	147.9	34.7

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000	DSG Estimate £000	LA Estimate £000
Expenditure						
Employees	9,521	48	(239)	9,330	6,617	2,713
Premises	413	1		414	342	72
Transport	2,480	50	150	2,680	39	2,641
Supplies and Services	104,536	40		104,576	104,781	(205)
Third Party Payments	10,058	0	(210)	9,848	11,380	(1,532)
Transfer Payments	0	0		0	0	0
Support Services	872	0		872	249	623
Depreciation and Impairment Losses	3,562	0		3,562	3,719	(157)
GROSS EXPENDITURE	131,442	139	(299)	131,282	127,127	4,155
Income						
Government Grants	(122,675)	0	(20)	(122,695)	(124,610)	1,915
Other Reimbursements and Contributions	(1,441)	0		(1,441)	(1,028)	(413)
Customer and Client Receipts	(1,565)	0		(1,565)	(1,005)	(560)
Interest	0	0		0	0	0
Recharges	0	0		0	0	0
Reserves	0	0		0	0	0
GROSS INCOME	(125,681)	0	(20)	(125,701)	(126,643)	942
NET EXPENDITURE	5,761	139	(319)	5,581	484	5,097

Other Variations are analysed as follows:

Major Items	£000	fte
<u>Growth</u>		
CSF 2 Special Educational Needs Transport	150	0.0
<u>Savings</u>		
CSF 5 Reduce Grant Contribution to Extended Schools Manager Post	(39)	(1.0)
CSF 6 Application of Grant Funding to existing Posts	(82)	(1.0)
CSF 7 Partnership Arrangements for School Standards and Quality	(80)	(1.0)
CSF 17 Delete 4 wte Personal Assistants/Admin Officers	(15)	(0.5)
CSF 19 Cease Pilot to Top Up Hours for Nursery Day care in Schools	(50)	0.0
CSF 20 Reduces Sure Start Grant Professional Development	(20)	0.0
CSF 21 Cease PSLA Contract and Provide In-House	(60)	0.0
CSF 22 Delete Management Posts within Early Years	(68)	(1.0)
CSF 25 Restructuring of Support Team reducing by 0.2fte Staff	(10)	(0.2)
CSF 26 Partnership Arrangements for School Standards and Quality	(20)	(0.5)
CSF 31 Reduce Early Years Childcare, Workforce and Training by 0.4 fte	(25)	(0.4)
TOTAL	(319)	(5.6)

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

2009/10	2010/11	DSG	LA
0	0.0	0.0	0.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000	DSG Estimate £000	LA Estimate £000
Expenditure						
Employees	2,899	22	0	2,921	925	1,996
Premises	44	2	0	46	56	(10)
Transport	0	0	0	0	0	0
Supplies and Services	196	0	0	196	472	(276)
Third Party Payments	325	5	0	330	0	330
Transfer Payments	0	0	0	0	0	0
Support Services	292	0	0	292	0	292
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	3,756	29	0	3,785	1,453	2,332
Income						
Government Grants	(146)	0	0	(146)	0	(146)
Other Reimbursements and Contributions	0	0	0	0	0	0
Customer and Client Receipts	(60)	0	0	(60)	0	(60)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	1,398	0	546	1,944	0	1,944
GROSS INCOME	1,192	0	546	1,738	0	1,738
NET EXPENDITURE	4,948	29	546	5,523	1,453	4,070

Other Variations are analysed as follows:

Major Items	£000	fte
MTFS		
Inflationary Increase in PFI Contract	50	0.0
Growth		
CSF 3 Contracting Costs	496	0.0
TOTAL	546	0.0



2010/2011 ESTIMATES

**ENVIRONMENT
AND
REGENERATION**

ENVIRONMENT AND REGENERATION DEPARTMENT

Departmental Summary

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
744	678

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	26,234	264	-2,223	24,275
Premises	2,487	40	-160	2,367
Transport	7,649	244	-94	7,799
Supplies and Services	4,009	54	-241	3,822
Third Party Payments	14,021	208	542	14,771
Transfer Payments	21	0	0	21
Support Services	8,267	0	0	8,267
Depreciation and Impairment Losses	5,352	0	0	5,352
GROSS EXPENDITURE	68,040	810	-2,176	66,674
Income				
Government Grants	-1,218	0	0	(1,218)
Other Reimbursements and Contributions	-3,809	0	-99	(3,908)
Customer and Client Receipts	-28,365	0	-138	(28,503)
Interest	0	0	0	0
Recharges	-2,536	0	212	(2,324)
Reserves	-25	0	0	(25)
GROSS INCOME	(35,953)	0	(25)	(35,978)
NET EXPENDITURE	32,087	810	(2,201)	30,696

Other Variations are analysed as follows:

Major Items	£000	fte
Savings Schedules	(3,730)	(66)
Growth Schedule	284	
Other as per divisional summaries	1,245	
TOTAL	(2,201)	(66)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

ENVIRONMENT AND REGENERATION DEPARTMENT

Street Scene and Waste: Traffic and Highway Services, Transport Planning and Safety Education, Transport Services, Waste Management and Operations.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
410	387

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	13,205	133	(677)	12,661
Premises	975	15	(15)	975
Transport	7,184	238	(89)	7,333
Supplies and Services	1,092	16	(106)	1,002
Third Party Payments	11,702	176	280	12,158
Transfer Payments	2	0	0	2
Support Services	2,960	0	0	2,960
Depreciation and Impairment Losses	4,092	0	0	4,092
GROSS EXPENDITURE	41,212	578	(607)	41,183
Income				
Government Grants	(111)	0	0	(111)
Other Reimbursements and Contributions	(933)	0	(286)	(1,219)
Customer and Client Receipts	(10,625)	0	(153)	(10,778)
Interest	0	0	0	0
Recharges	(559)	0	212	(347)
Reserves	0	0	0	0
GROSS INCOME	(12,228)	0	(227)	(12,455)
NET EXPENDITURE	28,984	578	(834)	28,728

Other Variations are analysed as follows:

Major Items	£000	fte
Savings as schedule (refs ER22-ER38, ER50-ER63, ER79-ER83)	(1,810)	(23.0)
Growth as schedule (ref ERG2)	30	
Technical Adjustment - Waste Management Strategy	964	
FYE of Saving agreed in 2009-10 process (Increased income through the expansion of Street Works Inspection Team)	(38)	
Housing Stock Transfer Adjustment	14	
Effect of Environmental Information Ruling	6	
TOTAL	(834)	(23)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

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

2009/10	2010/11
148	131

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	5,622	57	(698)	4,981
Premises	551	9	0	560
Transport	166	2	0	168
Supplies and Services	593	8	(50)	551
Third Party Payments	262	4	0	266
Transfer Payments	2	0	0	2
Support Services	1,829	0	0	1,829
Depreciation and Impairment Losses	154	0	0	154
GROSS EXPENDITURE	9,179	80	(748)	8,511
Income				
Government Grants	(215)	0	0	(215)
Other Reimbursements and Contributions	(75)	0	0	(75)
Customer and Client Receipts	(11,602)	0	107	(11,495)
Interest	0	0	0	0
Recharges	(20)	0	0	(20)
Reserves	0	0	0	0
GROSS INCOME	(11,912)	0	107	(11,805)
NET EXPENDITURE	(2,733)	80	(641)	(3,294)

Other Variations are analysed as follows:

Major Items	£000	fte
Savings as schedule (refs ER39-ER49, ER64-ER68, ER84-ER85)	(810)	(17.0)
Adjustment for time limited growth approved in previous year	(50)	
FYE of 2009-10 Saving - introduction of mobile cameras	(185)	
Effect of Environmental Information Ruling	404	
TOTAL	(641)	(17)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

ENVIRONMENT AND REGENERATION DEPARTMENT

Sustainable Communities: Physical Regeneration, Spatial Planning and Policy, Regeneration Partnerships, Property Management, Greenspaces, Leisure and Culture Development, Business Performance.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
136	121

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	5,179	52	(531)	4,700
Premises	957	16	(145)	828
Transport	291	4	(2)	293
Supplies and Services	2,073	26	(69)	2,030
Third Party Payments	517	3	262	782
Transfer Payments	17	0	0	17
Support Services	2,049	0	0	2,049
Depreciation and Impairment Losses	1,072	0	0	1,072
GROSS EXPENDITURE	12,155	101	(485)	11,771
Income				
Government Grants	(502)	0	0	(502)
Other Reimbursements and Contributions	(886)	0	(12)	(898)
Customer and Client Receipts	(6,116)	0	(52)	(6,168)
Interest	0	0	0	0
Recharges	(971)	0	0	(971)
Reserves	(25)	0	0	(25)
GROSS INCOME	(8,500)	0	(64)	(8,564)
NET EXPENDITURE	3,655	101	(549)	3,207

Other Variations are analysed as follows:

Major Items	£000	fte
Savings as schedule (refs ER1-ER21, ER69-ER78, ER86-89)	(973)	(15)
FYE of 2009-10 growth - Leisure Centre Procurement	10	
Technical adjustment - Share of SLWP costs for Waste DPD	32	
Adjustment for one year 2009-10 saving (Funding of officer via HPDG)	44	
Growth as schedule (ref ERG1, ERG3)	254	
Housing Stock Transfer Adjustment	84	
TOTAL	(549)	(15)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

ENVIRONMENT AND REGENERATION DEPARTMENT

Safer Merton: Management of the Crime and Disorder Reduction Partnership and related legislation.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
41	31

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	1,539	15	(292)	1,262
Premises	4	0	0	4
Transport	8	0	(3)	5
Supplies and Services	204	3	(16)	191
Third Party Payments	1,540	25	0	1,565
Transfer Payments	0	0	0	0
Support Services	182	0	0	182
Depreciation and Impairment Losses	34	0	0	34
GROSS EXPENDITURE	3,511	43	(311)	3,243
Income				
Government Grants	(390)	0	0	(390)
Other Reimbursements and Contributions	(1,915)	0	199	(1,716)
Customer and Client Receipts	(22)	0	(40)	(62)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(2,327)	0	159	(2,168)
NET EXPENDITURE	1,184	43	(152)	1,075

Other Variations are analysed as follows:

Major Items	£000	fte
Saving (Ref ER90)	(112)	(10)
Adjustment for time limited growth approved in previous year	(40)	
TOTAL	(152)	(10)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

ENVIRONMENT AND REGENERATION DEPARTMENT

Senior Management and Support: The Department's senior management and secretarial support.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
9	8

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	689	7	(25)	671
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	47	1	0	48
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	250	0	0	250
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	986	8	(25)	969
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	(986)	0	0	(986)
Reserves	0	0	0	0
GROSS INCOME	(986)	0	0	(986)
NET EXPENDITURE	0	8	(25)	(17)

Other Variations are analysed as follows:

Major Items	£000	fte
Savings as schedule (ref E78 - part)	(25)	(1)
TOTAL	(25)	(1)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

ENVIRONMENT AND REGENERATION DEPARTMENT

Corporate and Democratic Core: The costs of the Department that are recharged to central accounts - Democratic Representation and Corporate Management- rather than to services.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	0	0	0	0
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	997	0	0	997
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	997	0	0	997
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	0	0	0	0
NET EXPENDITURE	997	0	0	997

Other Variations are analysed as follows:

Major Items	£000	fte
TOTAL	0	0

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.



2010/2011 ESTIMATES

COMMUNITY AND HOUSING

COMMUNITY AND HOUSING DEPARTMENT Summary

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
721	666

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	18,424	196	(796)	17,824
Premises	840	12	0	852
Transport	1,248	44	0	1,292
Supplies and Services	3,815	53	(133)	3,735
Third Party Payments	45,759	1,046	(1,682)	45,123
Transfer Payments	8,412	326	914	9,652
Support Services	11,484	0	(413)	11,071
Depreciation and Impairment Losses	538	0	0	538
GROSS EXPENDITURE	90,520	1,677	(2,110)	90,087
Income				
Government Grants	(10,722)	0	844	(9,878)
Other Reimbursements and Contributions	(9,086)	0	0	(9,086)
Customer and Client Receipts	(8,416)	0	(10)	(8,426)
Interest	0	0	0	0
Recharges	(7,241)	0	0	(7,241)
Reserves	(55)	0	0	(55)
	0	0	0	0
GROSS INCOME	(35,520)	0	834	(34,686)
NET EXPENDITURE	55,000	1,677	(1,276)	55,401

Other Variations are analysed as follows:

Major Items	£000	fte
Refer to Adult Social Care	(913)	(51)
Refer to Cultural Services	(326)	(10)
Refer to Housing General Fund	46	11
Refer to Housing General Fund - supporting people	(83)	(1)
TOTAL	(1,276)	(51)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

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

2009/10	2010/11
581	530

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	13,606	139	(1,002)	12,743
Premises	362	6	0	368
Transport	1,230	44	0	1,274
Supplies and Services	2,450	33	(66)	2,417
Third Party Payments	40,797	983	(759)	41,021
Transfer Payments	8,222	326	914	9,462
Support Services	10,438	0	0	10,438
Depreciation and Impairment Losses	302	0	0	302
GROSS EXPENDITURE	77,407	1,531	(913)	78,025
Income				
Government Grants	(3,452)	0	0	(3,452)
Other Reimbursements and Contributions	(8,736)	0	0	(8,736)
Customer and Client Receipts	(7,482)	0	0	(7,482)
Interest	0	0	0	0
Recharges	(7,020)	0	0	(7,020)
Reserves	0	0	0	0
GROSS INCOME	(26,690)	0	0	(26,690)
NET EXPENDITURE	50,717	1,531	(913)	51,335

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(2,947)	(51)
TA: Freedom Pass Adjustment	514	
TA: Transitions	285	
TA: Demographic growth	949	
Transformation program growth reversal	(66)	
MTFS savings identified in previous years	(400)	
Growth	752	
TOTAL	(913)	(51)

COMMUNITY AND HOUSING DEPARTMENT Cultural Services

This area includes Merton Adult Education, Library and Heritage Services.

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
116	106

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	3,911	40	(249)	3,702
Premises	421	6	0	427
Transport	11	0	0	11
Supplies and Services	1,004	16	(67)	953
Third Party Payments	90	1	0	91
Transfer Payments	0	0	0	0
Support Services	633	0	0	633
Depreciation and Impairment Losses	236	0	0	236
GROSS EXPENDITURE	6,306	63	(316)	6,053
Income				
Government Grants	(2,122)	0	0	(2,122)
Other Reimbursements and Contributions	(350)	0	0	(350)
Customer and Client Receipts	(832)	0	(10)	(842)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	(55)	0	0	(55)
GROSS INCOME	(3,359)	0	(10)	(3,369)
NET EXPENDITURE	2,947	63	(326)	2,684

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(326)	(10)
TOTAL	(326)	(10)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

COMMUNITY AND HOUSING DEPARTMENT
Housing General Fund

Housing Needs and Enabling Service

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
13	20

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	505	10	500	1,015
Premises	44			44
Transport	4			4
Supplies and Services	146	1		147
Third Party Payments	643	10	(59)	594
Transfer Payments	190			190
Support Services	395		(395)	0
Depreciation and Impairment Losses	0			0
GROSS EXPENDITURE	1,927	21	46	1,994
Income				
Government Grants	(737)			(737)
Other Reimbursements and Contributions	0			0
Customer and Client Receipts	(90)			(90)
Interest	0			0
Recharges	0			0
Reserves	0			0
GROSS INCOME	(827)	0	0	(827)
NET EXPENDITURE	1,100	21	46	1,167

Other Variations are analysed as follows:

Major Items	£000	fte
1. Housing Needs and Enabling savings - payments to providers of temporary accommodation	(59)	0
2a. Housing Stock Transfer Adjustment - estimated impact on Housing Needs and Enabling team (excluding impact of overheads). Employees = £517k. (i.e. 14fte). This is based on the proposed TOM structure. If the existing structure is kept a further £113k (3fte) employees growth item would be required.		
2b. Housing Stock Transfer Adjustment - estimated impact on Housing Needs and Enabling team (excluding impact of overheads). Running costs = £117k. This is based on the TOM structure.		
2c. Therefore, the Housing Stock Transfer Adjustment - estimated impact on Housing Needs and Enabling team (excluding impact of overheads) is £634k (Employees £517k and running costs £117k).		
2d. The amount currently allocated in the MTFS for the impact of the Housing Stock Transfer adjustment on the Housing Needs and Enabling Team is £500k.	500	11
3. Overheads (These have been taken out and new budget figures will need to be allocated by the Corporate Centre as part of the Housing Stock Transfer Adjustment)	(395)	
TOTAL	46	11

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

COMMUNITY AND HOUSING DEPARTMENT
Housing General Fund

Supporting People - SP administration and contracts, sheltered wardens

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
11.5	10.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	402	7	(45)	364
Premises	13			13
Transport	3			3
Supplies and Services	215	3		218
Third Party Payments	4,229	52	(864)	3,417
Transfer Payments	0			0
Support Services	18		(18)	0
Depreciation and Impairment Losses	0			0
GROSS EXPENDITURE	4,880	62	(927)	4,015
Income				
Government Grants	(4,411)		844	(3,567)
Other Reimbursements and Contributions	0			0
Customer and Client Receipts	(12)			(12)
Interest	0			0
Recharges	(221)			(221)
Reserves	0			0
GROSS INCOME	(4,644)	0	844	(3,800)
NET EXPENDITURE	236	62	(83)	215

Other Variations are analysed as follows:

Major Items	£000	fte
Supporting People 2009/10 growth item (one off) falls out in 2010/11	(45)	(1)
Supporting People savings	(20)	0
Overheads (These have been taken out and new budget figures will need to be allocated by the Corporate Centre as part of the Housing Stock Transfer Adjustment)	(18)	
TOTAL	(83)	(1)

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

APPENDIX 10

1. Assessment of Risk and Contingency to mitigate risk

- 1.1 The Council's draft budget for 2010/11, as presented in the budget summaries in Appendix 9, 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	84.7
Premises	5.9
Transport	12.3
Supplies and Services	27.1
Third Party Payments	66.2
Transfer Payments	86.9
Support Services	34.6
Depreciation and Impairment Losses	6.7
Cost of Borrowing including Minimum Revenue Provision	24.6
Capitalisation	1.5
Pension Fund	4.9
Contingency	2.5
Other Expenditure	4.8
Income	
Government Grants	98.7
Other Reimbursements and Contributions	15.4
Customer and Client Receipts	45.8
Recharges	34.8
Reserves	1.3
Investment Income	3.6
Asset Rentals: Depreciation & Impairment	10.4
Other Income	2.9
Total	575.5

- 1.2 In addition, the savings proposals for 2010/11 have been assessed in terms of deliverable risk. The level of deliverable risk is:-

	£000	%
Low	5,759	49.1
Medium	4,570	39.0
High	1,400	11.9
Total	11,738	100.00

- 1.3 In light of the current economic climate the areas to be assessed have been expanded, given the data available in the budget summaries in Appendix 9, and the levels of risk have been reassessed. The results are set out below:-

	£m	Min%	Mid%	Max %
Expenditure				
Employees	84.7	0.5	1.0	2.0
Premises	5.9	1.0	2.0	3.0
Transport	12.3	1.0	2.0	3.0
Supplies and Services	27.1	2.0	3.0	4.0
Third Party Payments	66.2	7.5	9.0	12.0
Transfer Payments	86.9	1.0	2.0	3.0
Support Services	34.6	0.0	0.0	0.0
Depreciation and Impairment Losses	6.7	0.0	0.0	0.0
Cost of Borrowing including Minimum Revenue Provision	24.6	1.0	2.0	3.0
Income				
Government Grants	98.7	0.5	1.0	1.5
Other Reimbursements and Contributions	15.4	0.5	1.0	1.5
Customer and Client Receipts	45.8	2.1	2.5	3.3
Savings				
Low deliverability Risk	5.759	1.0		
Medium deliverability Risk	4.579		2.0	
High deliverability Risk	1.400			4.0

1.4 Applying the risk levels in the table above produces the following level of assessed risk:-

ASSESSED RISK	Min £m	Mid £m	Max £m
Expenditure			
Employees	0.4	0.6	0.8
Premises	0.1	0.1	0.2
Transport	0.2	0.2	0.4
Supplies and Services	0.7	0.8	1.1
Third Party Payments	4.0	5.0	6.0
Transfer Payments	1.3	1.7	2.6
Cost of Borrowing including Minimum Revenue Provision	0.2	0.2	0.4
Income			
Government Grants	0.5	1.0	1.5
Other Reimbursements and Contributions	0.1	0.2	0.2
Customer and Client Receipts	1.0	1.1	1.5
Investment Income	0.1	0.1	0.1
Savings	0.1	0.1	0.1
TOTAL RISK	8.5	11.2	14.8

* Only those headings that are deemed subject to risk have been included in the above analysis

- 1.5 In order to cover the middle position of risk, the balances strategy set out in paragraph 7.3 of Section 1 of the report needs to be maintained, but will be kept under review as circumstances change.
- 1.6 The risk analysis undertaken on savings proposals in terms of deliverable and reputational risk are included in Appendix 6.

CABINET

Date: 22 February 2010

Subject: Budget 2010/11 and Medium Term Financial Strategy (MTFS) 2010-13

WORKFORCE REDUCTION ANALYSIS

1. Introduction

1.1 Budget implications arising from the voluntary workforce reduction scheme were reported to Cabinet on 12th October 2009, 14th December 2009 and 18th January 2010.

1.2 Further changes have occurred since then and the position is still subject to change. This is therefore an update but not a final statement.

1.3 Information is provided which summarises the position by department regarding:-

- the number of applications received, agreed and not agreed by adjudication panels (TABLE A)
- the costs of potential voluntary redundancies included in draft savings proposals (TABLE B)

**TABLE A: Numbers of applications, and draft decisions
(Cumulative Rounds 1, 2 and 3)**

	Establishment	Total Applications (excluding withdrawn and windfalls)	Applications Agreed Rounds 1, 2 and 3	Applications Not Agreed at this Stage
	f.t.e.s	No.	No.	No.
Chief Executive's	39	3	3	0
Corporate Services	544	52	31	21
Children, Schools & Families	496	38	12	26
Environment & Regeneration	744	89	20	69
Community & Housing	720	102	69	33
Total	2,543	284	135	149

- 1.4 As this is a voluntary scheme, staff were able to withdraw from the process at any time until the redundancy notice was served. The compulsory redundancy costs shown above are estimated as at this stage the Council do not know who will be affected and the costs are related to length of service, and the above costs are based on an average of VR costs.

TABLE B: Cumulative Cost of Potential Redundancies in Rounds 1, 2 and 3

	2009/10 Voluntary Redundancy Cost (Redundancy Payment)	2010/11 Voluntary Redundancy (Early Pension Cost)	Total 5 Year Cost of early pensions and redundancy payment	2009/10 Compulsory Redundancy Cost (Redundancy Payment)	Voluntary Redundancy Cost (Statutory element)	Compulsory Redundancy Cost (Estimated Statutory element)
	£000	£000	£000	£000	£000	£000
Total	2,610	514	5,180	972	838	312

- 1.4 It is not possible to estimate whether there will be any early pension payment costs for compulsory redundancies at this stage as the costs will depend on whether the affected member of staff is in the Pension Fund, their age and length of service. The costs of compulsory redundancies may reduce as the Council applies its redeployment policy which seeks to reduce the number of employees who are subject to compulsory redundancy and this process is still in progress.

- 1.5 The applications for voluntary redundancy have been matched against the savings proposals. The position is summarised in the table below

TABLE C: Updated Cumulative Summary of Staffing Reductions from Rounds 1,2 &3

	Proposed Staff Reduction in savings proposals	Vacant post deletions	Voluntary Redundancy post deletions	Compulsory redundancies required
	f.t.e.s	f.t.e.s	f.t.e.s	f.t.e.s
Total	204	69	99	36

- 1.6 The Council applied for a Capital Direction to enable the costs of statutory redundancy to be capitalised. This has now been approved by the Department for Communities and Local Government so that if the minimum threshold of approximately £0.735m is exceeded, Merton will be able to capitalise up to £1.255m. The accumulated

APPENDIX 11

statutory element of the £2.610m voluntary redundancy cost is approximately £0.838m. Estimated costs of potential compulsory redundancies are £0.972m, of which the estimated statutory element is £0.312m.

- 1.7 The budget summaries in Appendix 9 show a year on year reduction of approximately 199 f.t.e posts. The reconciliation between the number of posts identified in the savings proposals in Appendix 4, the growth in Appendix 3 and the posts identified in Appendix 6 is as follows:-

	F.T.E.s
Number of F.T.Es in 2009/10	2,543
Less:	
Reduction in f.t.es arising from savings proposals for 2010/11	(204)
Reduction in Student Support posts agreed as full year effect of 2009/10 saving	(3)
Net change in f.t.es arising from housing stock transfer	3
Previous 1 f.t.e. growth in Supporting People dropping out in 2010/11	(1)
New posts	4
Number of f.t.es currently in draft 2010/11 Budget	2,342

* to be updated when the full impact of the housing stock transfer is known.

- 1.8 Given that approval to capitalise has been received and given that the threshold has been exceeded, assuming only the statutory element of voluntary redundancies will result in a call of approximately £0.3m on GF balances.

APPENDIX 12

TRANSITION FROM BUDGET GAP AT COUNCIL 4th MARCH 2009 TO CURRENT POSITION

	£m	£m
Budget Gap 2010/11 as at Council in March 2009		14.527
Inflation	(2.650)	
Single Status - Following Final Agreement	(2.000)	
Collection Fund Surplus	(1.841)	
Census	0.050	
Change in contingency	0.900	
VAT - Additional amount achieved in excess of 2009/10 budget	(1.000)	
Implications of HRA Stock T/F	0.050	
Savings Proposals 2010/11	(11.738)	
Growth Proposals 2010/11	3.236	
Impact of European Union Directive	0.600	
Council Tax – increase in Base	(0.690)	
Council Tax – increase in collection rate	(0.676)	
Council Tax decrease of 1.4%	1.162	
Potential increase in cost of DR recovery Centre	0.070	
		(14.527)
Balanced Budget		0.000

APPENDIX 13 a

STATEMENT OF COUNCIL TAX REQUIREMENTS AND BALANCES

	ORIGINAL BUDGET 2008/09	ORIGINAL BUDGET 2009/10	ORIGINAL BUDGET 2010/11	2008/09 Band D Council Tax Equivalent £	2009/10 Band D Council Tax Equivalent	2010/11 Band D Council Tax Equivalent
	£m	£m	£m	£	£	£
<u>Merton</u>						
Net Cost of General Fund Services	142.280	147.185	148.599	1,958.78	2,015.49	2,001.33
Contingency	1.600	2.000	2.900	22.03	27.39	39.06
	143.880	149.185	151.499	1,980.81	2,042.88	2,040.39
<u>Levies</u>						
Lee Valley	0.222	0.225	0.227	3.06	3.08	3.06
London Pensions Fund	0.306	0.296	0.283	4.21	4.05	3.81
Environment Agency	0.147	0.146	0.148	2.02	2.00	1.99
Total Levies	0.675	0.667	0.658	9.29	9.13	8.86
TOTAL BUDGET (before balances, etc adjustment)	144.555	149.852	152.157	1,990.10	2,052.01	2,049.25
<u>Provisions, Contributions and Balances</u>						
Contribution to/(from) General Fund Balances	1.000	0.000	0.000	13.77	0.00	0.00
TOTAL BUDGET REQUIREMENT	145.555	149.852	152.157	2,003.87	2,052.01	2,049.25
<u>Less: Central Government Support</u>						
Government (Formula) Grant:						
Revenue Support Grant	(8.022)	(12.518)	(8.588)	(110.44)	(171.42)	(115.66)
National Non-Domestic Rates	(57.630)	(54.233)	(59.145)	(793.40)	(742.64)	(796.56)
Total Government (Formula) Grant:	(65.652)	(66.751)	(67.733)	(903.83)	(914.06)	(912.23)
Contribution to/(from) Collection Fund	(0.620)	(1.400)	(2.519)	(8.54)	(19.17)	(33.93)
Council Tax Requirement						
Merton - General	79.283	81.701	81.905	1,091.49	1,118.78	1,103.10
Merton - COUNCIL TAX FUNDING REQUIREMENT	79.283	81.701	81.905	1,091.49	1,118.78	1,103.10
<u>Greater London Authority Precept</u>						
Metropolitan Police Authority	16.490	16.383	16.100	227.02	224.34	216.83
London Fire and Emergency Planning Authority	3.665	3.900	4.423	50.46	53.41	59.57
Other Services	2.349	2.342	2.481	32.34	32.07	33.42
Greater London Authority Precept	22.504	22.625	23.004	309.82	309.82	309.82
TOTAL COUNCIL TAX REQUIREMENT	101.787	104.326	104.909	1,401.31	1,428.60	1,412.92

APPENDIX 13 b

REVISED MEDIUM TERM FINANCIAL STRATEGY 2010-2013

	Forecast 2010/11 £m	Forecast 2011/12 £m	Forecast 2012/13 £m
Revenue Budget brought forward from previous year	148.452	149.638	149.638
Less: Levies	(0.667)	(0.658)	(0.671)
Revenue Budget brought forward exc. levies	147.785	148.980	148.967
Technical and Corporate adjustments	9.010	12.154	9.663
Savings -full year effects of previous years	(0.731)	0.248	0.000
Growth - full year effects of previous years	1.418	1.475	0.000
Forecast Budget Requirement (inc. Growth and Savings)	157.482	162.857	158.630
Add: Levies	0.658	0.671	0.685
Forecast Budget Requirement	158.140	163.528	159.315
Formula Grant (RSG and Business Rates)	(67.733)	(67.733)	(67.733)
Council Tax (-1.4% in 2010/11 and 0% in 2011/12 and 2012/13)	(81.905)	(81.905)	(81.905)
Total Resources	(149.638)	(149.638)	(149.638)
Revised Gap (before savings/income and growth and any Council Tax increase)	8.502	13.890	9.677
Savings/Income proposals 2010/11	(11.738)	0.035	(0.167)
Growth proposals 2010/11	3.236	(0.210)	2.610
Revised Gap (after savings/income and growth)	0.000	13.715	12.120

Name of Reserve	Opening balance 01/04/09 £000	Expected additions/ (withdrawals) 2009/10 £000	Closing balance 31/03/10 £000	Expected additions/ (withdrawals) 2010/11 £000	Closing balance 31/03/11 £000	Reason/ Purpose for which the reserve is held
<u>SCHOOLS RESERVES</u>						
DSG Reserve	309	(9)	300	(300)	0	Ring fenced grant used in support of the authority's Schools Budget
Schools' PFI Balance – unapplied PFI credits	3,520	367	3,887	(104)	3,783	Fund unapplied PFI credits to meet costs of the schools PFI scheme.
Schools Single Status	304	0	304	?	304	Sums set aside from the DSG grant for meeting costs of single status, backdated element of changes to pay & conditions for staff.
Permanently excluded pupils	32	(32)	0	0	0	Where schools permanently exclude pupils an amount is deducted from their delegated grant
Schools Reserve	323	(150)	173	(173)	0	Reserve used to fund various schools initiatives
Sixth Form Reserve	281	200	481	(250)	231	To fund development and set up costs
Schools delegated balances	5,644	(3,944)	1,700	0	1,700	These are the cumulative working balances that schools carry forward from/to the next year on their delegated budgets.
Schools Standard Fund balance	2,150	(75)	2,075	(50)	2,025	Matching Reserve to reflect the financial year and academic year.
Contribution to Schools Standards Fund	74	(30)	44	(15)	29	LA funded contribution to match-funded standards funds.
TOTAL: SCHOOLS RESERVES	12,637	(3,673)	8,964	892	8,072	

Name of Reserve	Opening balance 01/04/09	Expected additions/ (withdrawals) 2009/10	Closing balance 31/03/10	Expected additions/ (withdrawals) 2010/11	Closing balance 31/03/11	Reason/ Purpose for which the reserve is held
<u>RESERVES HELD BY NON-SCHOOL SERVICES > £100k</u>						
Local Authority Business Growth Incentive Scheme	1,969	(1,364)	605	(401)	204	Reserve set aside for future use for use in conjunction with Merton Economic Development Strategy (EDS)
Business Investment Fund	347	?	347	?	347	Fund for long term loans to businesses, linked to EDS
Transformation / Outstanding Council Programme Board	3,253	(3,253)	0	0	0	Reserve for efficiency transformation of the Council.
Insurance Reserve	1,500	(700)	800	0	800	To fund any additional claims liability arising under self funding
Section 117	841	(741)	100	0	100	Reserve set aside for restitution of charges under Mental Health Act 1983
E&R Partnerships	207	(207)	0	0	0	To fund additional liabilities arising from South London Waste Partnership procurement costs
Waste and recycling reserve	225	0	225	(100)	125	Transfer re Waste Performance efficiency grant part of a Local Area Agreement
Repairs Fund	200	(30)	170	0	170	To fund any unexpected and unfunded repair and/or maintenance expenditure to Council buildings
Revenue Fund for Capital	0	2,072	2,072	(1,038)	1,034	To meet ongoing capital commitments as reported to budget Scrutiny February 2010
VAT Refund	0	1,000	1,000	(1,000)	0	VAT refund set aside to support GF budget for 2010/11 only
General Fund balance	12,040	(1,777)	10,263	0	10,263	The General Fund balance, incorporating the Area Bases Grant, can be seen as the authority's working balance.
HRA balance	2,932	0	2,932	0	2,932	HRA working balance
Collection Fund	3,341	(1,000)	2,341	(2,341)	0	Statutory Fund which accounts for income from Council Tax and NNDR on behalf of the Council and GLA.
<u>TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES > £100k</u>	26,855	(6,000)	20,855	(4,880)	15,975	

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Name of Reserve	Opening balance 01/04/09	Expected additions/ (withdrawals) 2009/10	Closing balance 31/03/10	Expected additions/ (withdrawals) 2010/11	Closing balance 31/03/11	Reason/ Purpose for which the reserve is held
TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES< £100k	461	(50)	411	(50)	361	
TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES	27,316	(6,050)	21,266	(4,930)	16,336	
TOTAL: RESERVES	39,953	(9,723)	30,230	(5,822)	24,408	

SECTION 2:

SCHOOLS BUDGETS 2010-2013: FUNDED BY DEDICATED SCHOOLS GRANT

1. Introduction

- 1.1 The Children Act 2004 provides the legislative foundation for a whole system reform to significantly improve the quality, accessibility and coherence of services so that every child and young person is able to fulfil their potential and those facing particular obstacles are supported to overcome them. Each relevant authority has been required to re-organise its services to start to meet this agenda.
- 1.2 Children and young people make up 25% of the Merton Population. The number of children and young people between 0-19 years is currently 48,000 and is set to rise to 50,000 by 2014.
- 1.3 The Education Act 2005 introduced the Dedicated Schools Grant (DSG). The DSG funding that the Authority receives is based wholly on pupil number data that will only be known with certainty early in the new financial year. Detailed below are the DSG allocations to date, as well as the per-pupil amounts and the estimated pupil numbers for 2010-11:

Financial Year	Per Pupil Funding £	Pupil Numbers	Total Grant £m	% increase
2006/2007	4,004.28	21,748	87,085	
2007/2008	4,270.05	*21,255	90,760	4.2%
2008/2009	4,452.28	21,279	94,740	4.3%
2009/2010	4,611.74	21,502	99,162	3.6%
2010/2011	4,801.35	**21,645	103,925	4.1%

Note: *The reason for the reduction in pupil numbers in 2007/08 was the transfer of Mitcham Vale and Tamworth Manor Secondary Schools to Academy Status. **Pupil Numbers for 2010-11 are based on September Census information and assumes the transfer of William Morris School to Academy Status from September 2010.

2. Schools Forum

- 2.1 The Local Authority (LA) is required to consult the schools forum and take into account its views before the formula is finalised and school budget shares determined for 2010-2011. In addition the LA must seek the forums approval to any relaxation of the central expenditure limit within the DSG. The forum can request that schools be consulted on any of the issues put before it in order that a wider range of schools views can be taken into account in formulating decisions.

3. Fair Funding Formula

- 3.1 The Fair Funding Formula is the method by which Merton distributes the Schools' delegated budget. Section 47 of the School Standards and Framework Act governs the way in which the LA's formula for calculating school budget shares may be drawn up. The formula currently has over 30 factors that try to ensure the total budget is distributed to Merton Schools on an equitable basis. These factors govern the allocation of the Schools' delegated budget. When a decision is made to increase the funding available through one factor, then another factor will usually have to be reduced to compensate.
- 3.2 Merton's funding formula is currently being reviewed by independent consultants, the results of this review will inform developments in schools funding over the financial years 2011-14.
- 3.2 Local authorities are required to provide three year funding information each financial year so that schools can compile their three-year budgets. This will require assumptions in funding levels up to the financial year 2012/13.

4. Minimum Funding Guarantee

- 4.1 The DCSF has specified a Minimum Funding Guarantee of 2.1% per pupil for 2008-2011 which the LA must ensure that each school receives. Local Authorities are provided with a detailed formula to calculate this funding, however some local variations to the formula are permitted with the approval of the Schools Forum, provided that they do not affect more than 50% of the total school population.

5. Schools Census

- 5.1 The schools census took place on 21st January 2010 and this information is collated and verified during February and March. This data is the main driver of the per pupil funding of the Schools Funding Formula and the DSG draft Budget information is provided to schools in early March.
- 5.2 Finalised funding for schools is approved by the Schools forum in late March and will be provided to schools by 31st March 2010.

6 Dedicated Schools Grant Funding Review for the Funding Period 2011-14

- 6.1 In late 2007, Central Government Department for Children, Schools and Families, consulted on the terms of reference for a further review of the formula for distributing the Dedicated Schools Grant to all authorities. The aim of this current review is to develop a single, transparent formula available for use from 2011-12 onwards. Set out below is the timetable for the review and consultation on proposals:

January to March 2009	Detailed work on specific aspect of the formula
April to September 2009	Further developments of proposals on new formula and submission of a report to ministers
October to December 2009	Development of consultation proposals
January to March 2010	Consultation on proposals
April to June 2010	Further development of proposals taking into account responses to the consultation
July 2010	Broad decisions made by ministers
October/November 2010	School Funding Settlement 2011-12

- 6.2 Moving forward into the funding period for 2011-14 it is apparent the inflationary increases are likely to be much lower than those currently experienced. Forward projections of likely funding have been modelled using the following scenarios:
- a) The most optimistic scenario would be a continuation of the 2010 position which was a 4.1% DSG inflation with 2.1% Minimum Funding Guarantee.
 - b) A midway scenario of a 2.1% inflationary rise and a 1.1% Minimum Funding Guarantee.
 - c) The lowest scenario assumes 1% DSG inflationary rise with a 0.5% Minimum Funding Guarantee
- 6.3 There are considerable funding pressures on the DSG under scenarios b and c, which are exacerbated by the need to top slice funding for additional primary places. This will place great financial pressure on key council functions funded through retained DSG such as admissions, exclusions, behaviour and diversion activities as the authority struggles to meet the Minimum Funding Guarantee for schools.

SECTION 3:

THE CAPITAL PROGRAMME AND THE CAPITAL STRATEGY

1. Background and development of the Capital Programme

- 1.1 The Capital Programme for 2010/2011 and two subsequent years is an integral part of the overall Financial and Service Plans that form the basis of setting the council tax for 2010-2011.
- 1.2 The report sets out an update on the capital programme for 2009/10 to 2012/13, taking into account the original approved programme and new bids (some of which are of a statutory nature), details of the overall capital strategy process, including the methodology for prioritising capital bids, and how it is an integrated part of strategic planning for the authority are set out in Appendix 15.
- 1.3 Merton's Capital Strategy for 2010-2011 is aligned and integrated with the Business Plan for the period 2010-2011.
- 1.4 The draft Capital Programme 2009-2013 set out in this report has been the subject of Pre-Decision Scrutiny and the Overview and Scrutiny Commission considered the comments of the Scrutiny Panels at its meeting on 11 February 2010. Details of feedback from this process and the cabinet's proposed response are set out in Appendix 2.
- 2.3 The original programme as agreed by council on 4 March 2009, together with the current 2009/10 programme, are set out in the table below.

	Original 2009/10 £000	Current 2009/10 £000	2010/11 £000	2011/12 £000
Community and Housing	7,067	13,465	6,787	6,787
Corporate Services	4,344	6,673	3,529	3,555
Children, Schools and Families	19,519	29,717	22,593	2,070
Environment and Regeneration	16,298	23,636	9,892	9,763
Total Capital Expenditure	47,228	73,491	42,801	22,175

Source: Capital Strategy 2009-12

- 2.4 With the agreed slippage from 2008/09 and additional external funding for schemes in 2009/10, the programme in 2009/10 has increased to £73.491m. The 2009/10 programme has been subject to monthly monitoring

and this information has been included in the Financial Reports to Cabinet and Corporate Capacity Overview and Scrutiny Panel. There have also been a number of changes which will affect future years including the housing stock transfer. The transfer of Safer Merton to Environment and Regeneration means that there are no longer any capital schemes for Chief Executive's department and the "Original 2009/10" column in paragraph 2.3 has been adjusted to reflect this change of responsibilities.

- 2.5 The Capital Programme 2009-12 has been reviewed and rolled forward to include 2012/13 which is aligned to the Medium Term Financial Strategy 2010-2013.
- 2.6 There are a number of significant spending needs for departments:-

Children, Schools and Families

To meet forecast expansion of primary school places, in addition to the investments in 2009/10, further investment is provided in all years of the capital programme for school expansion schemes including the capital required for a new school in north Wimbledon.

Environment and Regeneration

The authority has a need to improve the overall street scene and sustain the quality of the built environment and infrastructure across the borough. This includes investment in town centres, Morden Park Leisure Centre and street scene enhancements.

Corporate Services

The authority has a Transformation Programme of work aimed at transforming Merton Council to make it a leaner and more efficient organisation. As part of the work necessary to achieve this transformation, programmed civic centre refurbishment and required IT investments are included in the capital programme for 2010/13.

3. Capital Resources 2009-2013

- 3.1 Capital expenditure can be funded from a variety of sources:-
- Earmarked funding – e.g. government grants and contributions
 - Borrowing supported by the Government via the Formula Grant
 - Unsupported borrowing via the Prudential Framework and funded by council tax and/or internal borrowing
 - Capital receipts

- Direct revenue contribution

3.2 Under the Prudential Code, it is permissible for local authorities to undertake borrowing that is unsupported by the Government. In order to do this the authority must ensure that the expenditure is prudent, affordable and sustainable.

4. Proposed Capital Programme 2009-2013

4.1 Earmarked

4.1.1 Schemes included in the proposed Capital Programme funded from earmarked grants, contributions etc are summarised in the following table:-

	Current 2009/10 £'000	Year 2010/11 £'000	2011/12 £'000	2012/13 £'000
Children Schools and Families	16,830	13,686	-	-
Community and Housing	12,286	-	-	-
Environment and Regeneration	9,665	727	3,298	2,970
Corporate Services - R&M DDA	-	-	-	-
Corporate Services - IT	-	-	-	-
Total	38,781	14,413	3,298	2,970

4.1.2 Details of these are included in Appendix 15.

4.1.3 Grant funding is subject to revision throughout the year as changes/ new notifications are received.

4.1.4 A substantial element of the proposed programme is funded by grants and contributions that have been earmarked for specific projects. The externally funded schemes are normally associated with specific funding streams, e.g. TfL.

4.2 Schemes funded from Borrowing

4.2.1 The level of funding available within the draft Medium Term Financial Strategy (MTFS) 2010-2013 to finance the draft capital programme has been reviewed.

4.2.2 Schemes included in draft capital programme funded from borrowing and non-earmarked grants and contributions are summarised in the following table:-

	Current 2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Children Schools and Families	12,887	18,513	15,885	6,030
Community and Housing	1,179	637	497	637
Environment and Regeneration	13,971	12,975	15,358	22,369
Corporate Services - R&M DDA	4,229	4,105	3,940	4,410
Corporate Services - IT	2,444	3,173	3,089	2,620
TOTAL	34,710	39,403	38,769	36,066

Details of the proposed capital projects in departmental order are included in Appendix 15.

4.3 Summary Proposed Capital Programme 2009 -13

4.3.1 The total proposed Capital Programme 2009-13 (earmarked and borrowing) is summarised in the following table:-

Department:	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Children Schools and Families	29,717	32,199	15,885	6,030
Community and Housing	13,465	637	497	637
Environment and Regeneration	23,636	13,702	18,656	25,339
Corporate Services - R&M DDA	4,229	4,105	3,940	4,410
Corporate Services - IT	2,444	3,173	3,089	2,620
Total	73,491	53,816	42,067	39,036

4.3.2 The current revenue budgets in the MTFs are set out below. The net budget is as included in the approved budget for 2009/10 and MTFs 2009-12 but the analysis between the budgets for interest payable and for investment income has been adjusted to reflect the impact of a prevailing Bank Base Rate of 0.5%.

Revenue Budgets for Capital Funding	Estimate 2009/10	Estimate 2010/11	Estimate 2011/12	Estimate 2012/13
	£000	£000	£000	£000
Revenue Interest Payable	13,407	14,233	15,812	17,389
Minimum Revenue Provision	6,403	7,125	8,046	8,969
Sub-total	19,810	21,358	23,858	26,358
Investment Income	(1,430)	(354)	(354)	(354)
Net	18,380	21,004	23,504	26,004

5. Review of 2009/10

5.1 The assumption in the MTFs for 2009/10 is that all programmed expenditure funded by borrowing for 2009/10 takes place in that year. However, so far as at 31 January 2009 there has been no external borrowing to fund capital expenditure.

5.2 There is an ongoing review underway to identify the level of slippage that will be required from 2009/10 into 2010/11. It is likely that there will be a significant increase over that currently reported given the latest capital monitoring information. The position reported as at 31 December 2009 is summarised in the following table:-

Capital Monitoring at 31 st December 2009	Budget 2009/10	Revisions in Earmarked Funding	Revised Budget 2009/10	Expenditure to date 31/12/09	Committed Expenditure 31/12/09	Unspent Budget 31/12/09	Projected Year End Variance/Slippage (underspend) £000
	£000	£000	£000	£000	£000	£000	
Approved Programme Including Slippage	71,926	1,565	73,491	31,659 (43.1%)	0	41,832	(3,488)

5.3 Any further slippage in 2009/10 will reduce the level of borrowing required in 2009/10 but increase it in 2010/11.

5.4 These figures will continue to be monitored as part of the monthly financial report. Departments are in the process of reviewing their schemes and will feed back further changes identified.

- 5.5. At the end of 2008/09 Merton held around £96m of investments. The investments are held in short-term cash deposits in accordance with the council's Treasury Management Policy. Analysis of the £96m shows that it consists of:-

	2007/08 £m	2008/09 £m	Change £m
Capital	39	25	(14)
General Fund Revenue	44	52	8
Collection Fund Revenue	3	10	7
Pension Fund	6	9	3
Total	92	96	4

- 5.6 General Fund revenue includes General Fund balances and earmarked reserves. These will be required for future use.
- 5.7 It is clear that external borrowing will be required to fund some capital expenditure. However, to optimise cash efficiency, it is reasonable to conclude at prevailing interest rates that it is more cost effective to continue to utilise some investments such as the £25m relating to capital, to contribute to fund the programme in 2009/10 as this "internal borrowing" would be a cheaper option than borrowing at current interest rates.
- 5.8 The utilisation of capital investments to fund capital expenditure less slippage of £3.488m in 2009/10 will result in an underspend in 2009/10 against capital financing budgets and this will be used to fund the capital expenditure in 2010/11.

6. Proposed Capital Programme and Proposed Funding 2009-2013

- 6.1 It is assumed that any revenue surplus from financing the programme will be reinvested in the capital programme in the following year. This also means that the level of borrowing is less than it otherwise would be. The funding position is summarised in the following table:-

	Current 2009/10	2010/11	2011/12	2012/13
Summary Resources Available				
	£000	£000	£000	£000
Draft Capital Programme	73,491	53,816	42,067	39,036
Earmarked Grants and Contributions	(38,781)	(14,413)	(3,298)	(2,970)
Sub-total	34,710	39,403	38,769	36,066
Less: Estimated slippage in year	(3,488)	(3,940)	(3,877)	(3,607)
Add: Estimated slippage b/f from previous year		3,488	3,940	3,877
	31,222	38,951	38,832	36,336
Proposed utilisation of investments	(25,210)	0	0	0
Sub-total	6,012	38,951	38,832	36,336
Less: Revenue Contribution	0	(2,072)	(1,034)	(465)
General Fund Borrowing	6,012	36,879	37,798	35,871

Note .The above does not assume any capital receipts as a source of funding capital expenditure.

- 6.2 The net revenue position arising from funding the draft programme is as set out in the following table:-

	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000
REVENUE:				
Surplus/(Deficit) against Budget	2,072	1,034	465	(32)

- 6.3 Any surplus currently is reinvested in the capital programme in the following year.

EARMARKED AND SCHEMES FUNDED BY BORROWING - All Departments

Summary of totals

	Proposed Programme			
	<i>Total 2009/10 inclusive of Slippage</i>			
	2009/10	2010/11	2011/12	2012/13
Earmarked	38,781	14,413	3,298	2,970
Borrowing	34,710	39,403	38,769	36,066
Total	73,491	53,816	42,067	39,036

EARMARKED AND SCHEMES FUNDED BY BORROWING - By Department

Summary of totals

Department:	Proposed Programme			
	<i>Total 2009/10 inclusive of Slippage</i>			
	2009/10	2010/11	2011/12	2012/13
Children Schools and Families	29,717	32,199	15,885	6,030
Community and Housing	13,465	637	497	637
Environment and Regeneration	23,636	13,702	18,656	25,339
Corporate Services - R&M DDA	4,229	4,105	3,940	4,410
Corporate Services - IT	2,444	3,173	3,089	2,620
Total	73,491	53,816	42,067	39,036

EARMARKED SCHEMES

Summary of totals

Department:	Proposed Programme			
	<i>Total 2009/10 inclusive of Slippage</i>			
	2009/10	2010/11	2011/12	2012/13
Children Schools and Families	16,830	13,686	0	0
Community and Housing	12,286	0	0	0
Environment and Regeneration	9,665	727	3,298	2,970
Corporate Services - R&M DDA	0	0	0	0
Corporate Services - IT	0	0	0	0
Total	38,781	14,413	3,298	2,970

SCHEMES FUNDED BY BORROWING

Summary of totals

Department:	Proposed Programme			
	<i>Total 2009/10 inclusive of Slippage</i>			
	2009/10	2010/11	2011/12	2012/13
Children Schools and Families	12,887	18,513	15,885	6,030
Community and Housing	1,179	637	497	637
Environment and Regeneration	13,971	12,975	15,358	22,369
Corporate Services - R&M DDA	4,229	4,105	3,940	4,410
Corporate Services - IT	2,444	3,173	3,089	2,620
Total	34,710	39,403	38,769	36,066

Children, Schools and Families	Proposed Programme			
	Total 2009/10 inclusive of Slippage			
	2009/10	2010/11	2011/12	2012/13
Earmarked Schemes				
Scheme Description				
8-13 Play Spaces	625	0	0	0
Abbotsbury	89	0	0	0
Adventure Playground	488	0	0	0
Aragon	146	0	0	0
Behaviour Unit	47	0	0	0
Benedict	38	0	0	0
Bond	680	0	0	0
Childrens Centres	897	528	TBA	TBA
Children's Centres Phase 2	152	0	0	0
Children's Centres Phase 3	284	0	0	0
Devolved Formula Capital	518	2,779	TBA	TBA
Extended schools	356	144	TBA	TBA
Feasibility	50	0	0	0
Garden	2	0	0	0
Haslemere	33	0	0	0
Holy Trinity Expansion	1,257	0	0	0
ICT Harnessing Technology Grant	493	453	TBA	TBA
LA Devolved Formula Capital	2,779	0	0	0
Liberty	43	0	0	0
Melrose	67	0	0	0
Mental Health in Schools	54	0	0	0
Modernisation	92	1,098	TBA	TBA
Poplar	780	0	0	0
Primary Capital Programme	233	5,378	TBA	TBA
Pupil Growth - Wimbledon Chase	1,016	0	0	0
SF 2.14 Home Access	54	0	0	0
St Anns	220	0	0	0
Stanford	134	0	0	0
Targeted Capital Fund (TCF)	5,000	3,000	TBA	TBA
Various Play Areas - Upgrade/Refurbish play areas	51	0	0	0
Youth Capital Fund	98	0	0	0
Wimbledon Chase DCSF grant	0	306	TBA	TBA
Wimbledon Park	54	0	0	0
Total Earmarked Schemes - Children, Schools and Families	16,830	13,686	0	0

Children, Schools and Families

Proposed Programme			
<i>Total 2009/10 inclusive of Slippage</i>			
2009/10	2010/11	2011/12	2012/13

Schemes funded by borrowing

Scheme Description				
Holy Trinity Expansion		1,472	0	0
Wimbledon Chase		1	0	0
6th forms - additional finance		0	3,588	0
Building School for the Future (BSF) feasibility work		0	650	1,300
Condition Surveys		25	0	0
Dundonald Kitchen		109	0	0
Feasibility Works		50	0	0
Modernisation		3	0	0
New Pupil Places - Garfield		148	0	0
OLM Additional Software Licences		0	60	0
Pupil Growth - Current		257	3,070	400
Pupil Growth - Additional expansion		0	8897	14115
Pupil Growth - Wimbledon Chase		1,284	0	0
Intergenerational Centre		2,485	0	0
School Meals / Kitchens		184	0	0
School Meals / Kitchens - Joseph Hood		0	361	0
School Meals Kitchens Morden		55	0	0
Schools Access Initiative Inclusion		60	70	70
SEN - Cricket Green, West Wimbledon, Wimbledon Chase		67	0	0
SEN - Melrose		30	0	0
SEN - St Ann's Special School (pls Finance to buy Land)		3,250	1817	0
St John Fisher Governor's 10%		1	0	0
St. Anns - Targeted Capital		2,999	0	0
Summer works to PFI Schools		105	0	0
West Wimbledon		236	0	0
Youth Centre Buildings		66	0	0
Total Schemes funded by Borrowing - Children, Schools and Families		12,887	18,513	15,885

Total Schemes Children, Schools and Families		29,717	32,199	15,885	6,030
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Community and Housing	Proposed Programme			
	Total 2009/10 inclusive of Slippage			
	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000
Earmarked Schemes				
Scheme Description				
HRA				
Major Repairs Allowance	4,500	0	0	0
Schemes funded by HRA borrowing	2,000	0	0	0
Total Community and Housing - HRA	6,500	0	0	0
5 Clifford Avenue - Contribution from Sutton & Merton PCT	450	0	0	0
Door Entry Schemes Council Housing	16	0	0	0
Improving Information Management	10	0	0	0
Meopham Road	1,400	0	0	0
Investment in E-Learning	35	0	0	0
Pollards Hill Library	777	0	0	0
Section 106	3,098	0	0	0
Total Community and Housing - Other Earmarked funding	5,786	0	0	0
Total Earmarked Schemes Community and Housing	12,286	0	0	0
Schemes funded by borrowing				
Ad Ed Neighbourhood Learning	111	0	0	0
Day centre kitchen/toilet/IT upgrades	0	0	110	150
Introducing Radio Frequency Identification (RFID) to libraries	531	0	0	0
JMC LD Day Centre	250	0	0	0
Media Fund	287	287	287	287
Refurbishment of other libraries	0			200
Refurbishment of West Barnes library	0	0	100	0
Works to Merton Adult Education Centre to facilitate expansion of Joseph Hood School	0	350	0	0
Total Schemes funded by Borrowing - Community and Housing	1,179	637	497	637
Total Schemes Community and Housing	13,465	637	497	637

		Proposed Programme			
		<i>Total 2009/10 inclusive of Slippage</i>			
Environment and Regeneration		2009/10	2010/11	2011/12	2012/13
		£000	£000	£000	£000
Earmarked Schemes					
Scheme Description					
CCTV and Anti-Social Behaviour (ASB) (Formerly on chief executives)					
CCTV (match funding)		0	50	50	50
Crime Reduction, ASB & Drugs		44	0	0	0
Crime Reduction, ASB & Drugs - funded by the Home Office		58	58	58	0
Other Earmarked Schemes					
Acquisitions Programme		1,000	0	0	0
Disabled Facilities Grant -DCLG contribution		420	420	420	420
Earmarked Schemes - Transport for London		2,881	TBA	TBA	0
Horseclose Woods		13	0	0	0
Leisure Services Condition of Parks, Open Spaces & Buildings		0	199	270	0
Mitcham Junction Station Access		250	0	0	0
Netball Facilities		10	0	0	0
MSJCB Vehicle		14	0	0	0
Permanent Table tennis table		16	0	0	0
Refurbish Tennis Courts - Holland Gardens		80	0	0	0
Refurbish Tennis Courts - Nursery Road		90	0	0	0
Section 106		1,204	0	0	0
South Park Gardens		778	0	0	0
Transport For London		2,807	0	0	0
Transportation enhancements in Wimbledon, Morden and Mitcham town centres (gyratory removal and implementation of shared surfaces)		0	0	2,500	2,500
Total Earmarked Schemes Environment and Regeneration		9,665	727	3,298	2,970
Schemes funded by borrowing					
CCTV and Anti-Social Behaviour (ASB) (Formerly on chief executives)					
Additional signs and the CCTV system		0	30	0	0
CCTV (match funding)		0	50	50	50
CCTV Equipment Programme		161	48	0	0
Digital CCTV Recording		23	0	0	0
Mobile speed cameras		0	40	20	20
Civic Amenity Sites					
Amenity Way Parking and Fencing		100	0	0	0
Contribution to bill (Mortuary)		250	0	0	0
Decommision Natural Gas Site at Amenity Way		30	0	0	0
Fire Systems		30	0	0	0
Portacabin Accommod Garth Road		18	0	0	0
Safe Pedestrian Access		20	0	0	0
Site Recycling		13	0	0	0

		Proposed Programme			
		Total 2009/10 inclusive of Slippage			
Environment and Regeneration		2009/10	2010/11	2011/12	2012/13
		£000	£000	£000	£000
Environmental health					
Disabled Facilities Grant LBM Contribution		371	280	280	280
Private Sector Housing Programme	(R)	270	40	40	40
Grass Cutting and Tree Maintenance					
Highway trees inspection, data update and works		112	25	25	25
Schemes funded by borrowing					
Greenspaces					
Bank reinstatement at Havelock Allotments		0	400	0	0
Boundary fencing and painting to raise the standard of Parks to Greenflag level for priority sites		0	30	0	0
Bridge inspection surveys in Parks		0	10	10	10
Cannizaro Park Wall		30	0	0	0
Condition of Parks/Open Spaces		4	0	0	0
Cranmer Green		15	0	0	0
Demolition and rebuild of changing rooms at Morden Park		0	0	110	0
Electric supply into toilets at Wimbledon Park by Play area and refurbishment		60	0	0	0
Gap Road Cemetery railings in danger of falling over		0	50	0	0
Greenflag improvements works at parks to ensure retention of award		9	0	0	0
Accelerated Scheme - Greenflag improvements at parks to ensure retention of award		45	0	0	0
Groundwork Trust		47	47	47	0
Installation of public disabled toilet at Gap Road Cemetery		0	15	0	0
John Innes Park Zaun fencing around the Recreation Ground		0	0	0	40
Leisure Services Condition of Parks, Open Spaces & Buildings		368	0	0	0
Accelerated Scheme - Leisure Services Condition of Parks, Open Spaces & Buildings		102	0	0	0
Lighting Car Park area		30	0	0	0
Match funding towards a sports pavilion at Wimbledon Park Athletics Track		20	0	0	0
Mess Room (Cannizaro Park)		42	0	0	0
Miles Road Play Area		20	0	0	0
Multi Sport area (Lavender Park)		5	0	0	0
New pavilion at Abbey Recreation Ground		0	150	0	0
Parks Investment		0	250	250	250
Parks Recyc Bins /composting		34	0	0	0
Phipps Bridge Allotments		32	0	0	0
Play Area (Ravensbury Park)		17	0	0	0
Railings at London Road Cemetery		0	25	0	0
Refurbish rugby changing (Raynes Park)		1	0	0	0
Refurbishment of London Road public, staff and disabled toilets		0	55	0	0
Renew Park boundary fencing		24	0	0	0

Environment and Regeneration	Proposed Programme			
	Total 2009/10 inclusive of Slippage			
	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000
Repair Bridge (Various RGs / Parks)	1	0	0	0
Repair of Rutlish Wall	60	0	0	0
Repairs and replacement Lighting in Parks	0	10	0	0
Replace pavilion and toilets	8	0	0	0
Reprofiling of bank at Wimbledon Park Lake	30	0	0	0
Restoration of South Park Gardens (R)	33	0	0	0
Schemes funded by borrowing				
Trees for Cities Programme (& Other Tree Planting/Nature Conversation) (R)	25	0	25	0
Upgrade access paths around the main routes at Cannizaro Park	0	40	0	0
Wall repairs at Church lane playing fields and John Innes Park	0	10	0	0
Wimbledon Park Community Clubhouse	15	0	0	0
Wimbledon Park drainage improvements	0	100	0	0
Wimbledon Park Lake Desilting	7	0	0	0
Works to prevent access by Travellers onto Parks and Open Spaces	0	10	0	0
Highway Maintenance				
Bishopsford Road Bridge - Remote footway replacement	120	0	0	0
Bridge Inspection	53	39	31	58
Bridge Repairs General	148	50	50	70
Bushey Road bridge repair	150	140	10	25
Demand for Surface Water Drainage - Flooding	72	56	59	62
Develop AMP - Highways Management	2	0	0	0
Highways bridges and structures improvements	0	174	268	0
Highways Maintenance - Borough Roads including accelerated schemes in 2009/10	2,236	1,463	1,570	1,884
Maintenance Anti-Skid and Coloured	142	75	78	90
Public Rights of Way Improvement Plan	29	20	20	20
Remediation of Potholes and carriageway deterioration (capital works)	100	0	0	0
Repairs to Footways including accelerated schemes in 2009/10	1,437	462	1,046	1,255
Replacement of Structures	22	24	26	28
Selby bridge treatments	76	50	0	0
Wimbledon Bridge	68	200	0	0
Leisure Centres				
Morden Park Pool and Leisure Centre Investment	0	0	1,000	10,000
Plant and Ceiling Works (all Leisure Centres)	37	0	0	0
Plant Room Works (all Leisure Centres)	183	0	0	0
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	1,349	150	600	350

Environment and Regeneration	Proposed Programme			
	Total 2009/10 inclusive of Slippage			
	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000
Leisure Facilities and Support Services				
Decorating Gap Road Chapel	0	5	0	0
Decoration and upgrading of public hall facilities	96	0	0	0
Heritage/Culture	0	100	200	700
Highlighting Wim's Heritage	10	0	0	0
Wimbledon Theatre Refurbishment	550	550	0	0
Schemes funded by borrowing				
On and Off Street Parking				
Controlled Parking Zones	87	0	0	0
Disabled Parking	0	45	0	0
Parking management - CPZ; disabled parking bays & waiting restrictions	380	380	380	0
Replacement of parking machines	136	0	0	0
Resurfacing of Peel House Upper Car Park	0	290	0	0
Improved parking for shop parades (dropped kerbs, machines, etc)	0	100	100	100
Plans and Projects				
Climate Change Initiatives	313	120	140	140
Reducing LBM Carbon Footprint - Invest to Save	0	0	140	140
Wind Turbines - Domestic Prop	25	0	0	0
Property Management and Review				
Minor Land Purchases (Rookwood Avenue)	5	0	0	0
50 Montgomery Close	47	0	0	0
WCA investment	0	50	0	0
Regeneration Partnerships				
Investment In Deprived Areas - East Merton.	268	80	80	80
Investment in industrial estates to create high-tech industrial park for key sectors	0	250	250	250
Mitcham Town Centre Development	50	50	50	50
Town centre investment	0	0	250	250
Unlocking Development in Morden Town Centre	53	250	370	400
Street Scene				
Adoption of nursery road, Abbey	0	82	0	0
Better seating- Durable/Fixed	8	0	0	0
Bins in Town Centres + Map	40	0	0	0
Design for Bewley Street Bridge	15	0	0	0
Forecourt Local Shop parades	3	0	0	0
Graffiti Prevention Measures	17	0	0	0
Imp St.Cleaning off Broadway	44	0	0	0
Imprvmnt works Wimbledon Chase	80	0	0	0
Maps in the Town Centre	88	0	0	0
Mitcham - spaces on St Mark's Road	23	0	0	0
New litter / recycling bins	75	0	0	0
Options to tackle chewing gum	100	0	0	0
Pedestrian Guard Rail	15	0	0	0
Potholes and investment in cleansing	88	0	0	0
Project Management Resources	50	0	0	0

		Proposed Programme			
		Total 2009/10 inclusive of Slippage			
Environment and Regeneration		2009/10	2010/11	2011/12	2012/13
		£000	£000	£000	£000
Raynes Park Enhancement		40	0	0	0
Raynes Park Street Scene		80	0	0	0
Renewal of WTC Paving		150	0	0	0
Replace Lamp Columns & Signs		11	0	0	0
Signs Welcome + Cast Iron		18	0	0	0
Street scene enhancements (25 year programme)		0	1,250	1,250	1,250
Street tree programme (25 year programme)		0	125	125	125
Street Lighting					
Street Lighting Replacement Programme		226	195	245	269
Schemes funded by borrowing					
Traffic and Parking Management					
20's Plenty & Area Traffic Calming		225	90	96	86
Area Traffic calming measures/investigation		90	90	90	100
Ashbourne Road Area (20 mph scheme)		1	0	0	0
Boroughwide waiting restrictions		0	20	0	0
Ernle Road Area (20 mph scheme)		1	0	0	0
Farm Road Area (20 mph scheme)		6	0	0	0
Footway parking - policy/pilot schemss		0	50	0	0
Grassed islands/verges		28	0	0	0
High Path Area (Option 1 + 3) (20 mph scheme)		5	0	0	0
Melrose Avenue Area (20 mph scheme)		10	0	0	0
Merton Hall Road Area (20 mph scheme)		16	0	0	0
Merton Park Area (20 mph scheme)		16	0	0	0
Minor traffic / danger reduction measures		100	100	100	120
Parkway Area (20 mph scheme)		7	0	0	0
Pelham Road Area (20 mph scheme)		33	0	0	0
Quicks Road Area (20 mph scheme)		6	0	0	0
Ridgway Place Area (20 mph scheme)		11	0	0	0
Staffing and Consultation Cost (20 mph scheme)		49	0	0	0
Traffic surveys & Investigations		33	30	30	30
Traffic surveys and safety measures/investigations		0	46	46	56
Transportation enhancements in Wimbledon, Morden and Mitcham town centres (gyratory removal and implementation of shared surfaces)		0	0	2,500	2,500
Wandle Road Area (20 mph scheme)		20	0	0	0
Wimbledon Hill Traffic Lights		0	458	186	0
Wimbledon Area Traffic Study		136	72	0	0
Transport and Plant					
4 Vehicles for Response Teams		33	0	0	0
Eastfields Station - Highway Improvements	(R)	207	0	0	0
Mitcham Town Centre Transport Improvements	(R)	95	0	0	0
Morden Town Centre Highway Improvements	(R)	60	0	0	0
Replacement of Fleet Vehicles		735	500	500	0

		Proposed Programme			
		<i>Total 2009/10 inclusive of Slippage</i>			
Environment and Regeneration		2009/10	2010/11	2011/12	2012/13
		£000	£000	£000	£000
Schemes funded by borrowing					
Waste Operations					
Alley Gating Scheme - Fly Tipping		25	50	50	50
Barrows and Bins Replacement Programme		55	50	60	60
Extension of kitchen waste collection to entire borough		0	500	0	0
Kitchen Waste Containers replacement		0	0	0	26
Litter Bin Replacement + Dog Bin Replacement		2	0	0	0
Planned Maintenance of Re-use/recycling Sites		44	40	40	40
Recycling T.C.Friendly bins		25	0	0	0
Street Waste Collection Machines		0	200	0	0
Waste Phase B requirements - Replace Large Waste Collection Vehicles and Purchases		0	2,089	2,465	990
Other					
Completion of the mobile working initiative		0	50	0	0
Total Schemes funded by Borrowing - Environment and Regeneration		13,971	12,975	15,358	22,369
Total Schemes Environment and Regeneration		23,636	13,702	18,656	25,339

Corporate Services	Proposed Programme			
	Total 2009/10 inclusive of Slippage			
	2009/10	2010/11	2011/12	2012/13
Corporate Services - IT				
Schemes funded by borrowing				
Scheme Description				
6th floor Communications Room	53	0	0	0
Audit Software	26	0	0	0
Black Diamond Switch Replacement	156	0	0	0
Children's Centre Information System	42	0	0	0
Condenser replacement (Phase 1 complete, now on Phase 2)	31	0	0	0
Confirms Streetworks - Permits	23	0	0	0
Connect to N3 Netwrk NHS Spine	27	75	0	0
Corporate mobile working	0	88	64	0
CRM / Self Service	0	226	0	0
Disaster recovery (IT Generator)	155	164	0	0
Document Management - Contractual	50	110	0	0
Dual Factor Authentication	50	0	0	0
e-procurement	0	143	0	0
FMIS Version Upgrade	40	0	0	0
GIS	37	0	0	0
Handheld Terminals - Parking	0	120	0	0
HR Shared service integration	20	0	0	0
Information lifecycle Mgt (Phase 1 complete, now on Phase 2)	668	0	0	0
Internet Payments Resilience	47	0	0	0
IT Equipment	426	625	565	620
IT Service Desk System	25	0	0	0
IT Strategy	0	400	460	0
Legal Case Management	47	0	0	0
Livelihood Updated	0	60	0	0
Network Edge Switches	7	0	0	0
Network Outlying Offices / Laptop Encryption	12	0	0	0
PABX	279	70	0	0
Planning Explorer	30	0	0	0
Remote Software Delivery	5	0	0	0
Remove BT frame from basement	13	0	0	0
Replace Providerlink / Homecare Rostering / Scheduling	0	76	0	0
Scanning in-house development	110	0	0	0
Streetworks Permit	20	16	0	0
Transformation (IT)	0	1,000	2,000	2,000
Virtualisation	45	0	0	0
Total Non Earmarked Corporate Services - IT	2,444	3,173	3,089	2,620

Corporate Services	Proposed Programme			
	<i>Total 2009/10 inclusive of Slippage</i>			
	2009/10	2010/11	2011/12	2012/13

Corporate Services - R&M DDA				
Schemes funded by borrowing				
Scheme Description				
Asbestos Risk Assessment Work	18	0	0	0
Bond Rd. Nursery - Roof	2	0	0	0
Building Condition Surveys	20	0	0	0
Cannizaro Park - Replace Messroom	41	0	0	0
Cannon Hill Common - Access Ramp	35	0	0	0
Capitalisation MTFS includes an equal credit	1,500	1,500	1,500	1,500
Civic Centre	77			
Civic Centre refurbishment	261	705	540	510
Civic Centre Windows	0	0	0	1,600
Commons Extension - Replacement Boiler	20	0	0	0
David Nicholas Creche - Boiler & radiator replacement	20	0	0	0
DDA - Access to Buildings	175	0	0	0
Energy Utilities Invest to Save	100	100	100	0
Fixed Electrical Installation Testing	75	0	0	0
Garth Road Workshops - Roof ventilation	10	0	0	0
Gifford House - Internal lighting /Asbestos wk	32	0	0	0
Invest to Save schemes - General	100	100	100	100
Local Housing Allowance	4	0	0	0
Mitcham Library - Boiler	94	0	0	0
New Wimbledon Theatre - Studio Theatre Roof / External Repairs	220	0	0	0
Pollards Hill RG - Access to play area	40	0	0	0
Ravensbury Park - Wandle Trail /Disabled Parking	5	0	0	0
Raynes Park Sports Ground - Window replacements	1	0	0	0
Raynes Pk Pavilion - Roof repairs	10	0	0	0
Redundancy Payments	1,000	1,000	1,000	0
Repair and Maintenance	0	700	700	700

Corporate Services	Proposed Programme			
	<i>Total 2009/10 inclusive of Slippage</i>			
	2009/10	2010/11	2011/12	2012/13
Schemes funded by borrowing				
Replacement of Atrium Roof at Merton Civic Centre - Replacement of Atrium Roof	58	0	0	0
Sir Joseph Hood MPF - Window replacements	1	0	0	0
Space in Civic offices - Improvement To/Better Use Of	78	0	0	0
Various Parks - Toilet refurbishments	11	0	0	0
Various Parks / RGs - Redecorate/ Refurbish Toilets	7	0	0	0
Vestry Hall	33	0	0	0
Water Risk Assessment Works	43	0	0	0
Wimbledon Library	105	0	0	0
Worsfold House - Internal lighting /Asbestos work	33	0	0	0
Total Schemes funded by Borrowing Corporate Services - R&M & DDA	4,229	4,105	3,940	4,410
Total Non Earmarked Corporate Services	6,673	7,278	7,029	7,030

1 Introduction

- 1.1 Merton's Capital Strategy for 2010-2013 has been aligned and integrated with the Business Plan for the period 2010-2013 which has been grouped into six strategic themes:-
- Sustainable Communities;
 - Safer and Stronger Communities;
 - Healthier Communities;
 - Older People;
 - Children and Young People;
 - Corporate capacity.
- 1.2 These themes are structured around the Audit Commission's Corporate Assessment themes and are derived from the shared priorities agreed between central and local government, shaped to drive improvement in local government and partnership working.

2 Planning Infrastructure

2.1 Community Plan

- 2.1.1 A key driver to Merton's progress is the Community Plan. Merton's Community Plan 2006-2015 is aligned around the Corporate Assessment themes. It is a 10-year Plan that aims to improve the quality of life and services in the area for 2015. Central to the Plan is the overall vision and a framework of principles that underpin the way in which the specific outcomes will be achieved. These principles celebrate and build on the diverse social, economic and environmental characteristics of the borough and are aimed at securing a sustainable future for those who live, work or study here.
- 2.1.2 The Plan directs the future actions of all the partners, which sign up to it, and the outcomes to be achieved are reflected in the shorter term plans which are prepared by all these agencies. Thus the Community Plan is the "Plan of Plans" for the local area. It is one of the best ways of ensuring that communities become safer, stronger, prosperous and more sustainable. The Merton Partnership is responsible for overseeing and developing the plan. The Partnership is a multi-agency partnership of local stakeholders including Merton Council, the Metropolitan Police, Merton Voluntary Service Council, Merton Chamber of Commerce, Jobcentre Plus, Sutton and Merton Primary Care Trust, Merton Racial Equality Partnership, Merton Unity Network, Merton College, the Merton Borough Interfaith Forum, the Learning and Skills Council as well as local Members of Parliament. Together they work to an agreed agenda to ensure that all strands of activity from various sectors reflect the diverse needs of the borough's communities.

2.2 Business Plan 2010-2013

- 2.2.1 The Business Plan sets out the council's vision and ambitions for improvement over the next three 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.

2.3 Service Plans

- 2.3.1 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 Housing Strategy, Local Implementation Plan (Transport), and Asset Management Plans. Priorities for the Corporate Services and Chief Executive's departments are based around how the council manages its resources effectively and how it carries out its wider community leadership role.
- 2.3.2 This Capital Strategy is a fundamental component of our approach since it reflects our strategic priorities across the council and endeavours to maximise the contribution of the council's limited capital resources to achieving our vision. We will work closely with residents, community organisations and businesses to focus our resources and those of our partners effectively. The strategy also sets out the management arrangements for allocating resources to individual schemes, establishing funding for projects, monitoring progress, managing performance and ensuring that scarce capital resources are allocated efficiently.

3 Priorities and Objectives for Capital Investment in key areas

3.1 Service Strategies

- 3.1.1 Each service within the Council has a key role to play in supporting the overall vision. Within each of the strategic objectives key priorities are identified and these link into departmental service plans. Central Government arrangements for resource bidding and allocation (e.g. Housing Strategy, Transport Strategy and Schools Asset Management Plan) have influenced capital investment strategies within those services. The council's Capital Strategy brings together the departmental approach to bidding and supports its holistic approach to investment and provides the framework for resource allocation. The council's strategy for bidding for additional resources is that the schemes must be consistent with our strategic objectives.

3.1.2 The council's departments are:

- Chief Executives
- Corporate Services
- Children, Schools and Families
- Community and Housing
- Environment and Regeneration

3.2 Sustainable Communities

3.2.1 The objective of securing "Sustainable Communities" embraces all of the elements that enhance the quality of life for all Merton's citizens and its business community. It therefore covers many areas that require capital investment, including people's homes and local environment, transport systems to support travel choices and investment to support and attract business to Merton. Merton's ambitions for achieving sustainable communities cover cross-cutting areas such as:

- Securing new affordable housing
- Increasing the quality of existing council housing with increased tenant participation, enhanced by the housing stock transfer
- Enhancing the street scene
- Investing in job and wealth creation, particularly in eastern wards and in town centres
- Investing in cultural and leisure facilities
- Increasing opportunities to enhance and develop skills, for example by investing in council libraries
- Developing proposals which encourage travel by sustainable modes
- Ensuring planning decisions, transport and waste proposals include consideration of energy and climate change and have regard for sustainability

3.3 Safer and Stronger Communities

3.3.1 Safer and Stronger Communities are vital to the well-being of residents, businesses and visitors. Key elements to establishing a feeling of security include:-

- Safety from crime and anti-social behaviour;
- Better road and pedestrian safety;
- Preventing fire and other hazards; and
- Reducing risk from dangers such as flooding.

3.4 Healthier Communities

3.4.1 The council, along with all local authorities, has a specific legal power to promote well-being under the Local Government Act 2001. The health theme covers a wide range of activities across all five council departments and has most links with the other four strategic themes. The Healthier Communities theme focuses on:

- Promoting healthier communities – showing that the health of the community is improving as direct result of the activities of the council;
- Reducing health inequalities and the gap in life expectancy between diverse communities;
- Improving access to services for those most at risk of disadvantage, including Access to Buildings

3.5 Older People

3.5.1 There is an existing central and local government agenda, mainly through health and social care, that sets out to offer older people prospects that maximise well-being and independence. Within health, housing and adult social care policies, there is an increasing emphasis on the need for prevention and looking ahead within the promotion of independence and personal choice. Merton's ambitions for older people will involve work in a range of diverse areas such as:-

- improving access to transport;
- personal safety;
- the built environment;
- culture and leisure;
- access to new technology;
- development of options for housing.

3.6 Children and Young People

3.6.1 Merton's role is to help all children and young people in Merton to achieve the five national outcomes that the Government identified after consulting with young people. Challenges for the next three years include:-

- Building resilience and respect for others amongst children and young people.;
- Reducing the fear of crime and antisocial behaviour;
- Raising attainment and reducing educational inequalities;
- Promoting Healthy Lifestyles & Choices.

3.7 Corporate Capacity

3.7.1 Merton aims to ensure that our residents and customers will receive excellent, value for money services. The Business Plan identifies a number of elements that are cross-cutting and run through all of its strategic themes. They are factors that need to be considered in the delivery of all of the priorities and similarly need to be reflected in the Capital Strategy. The cross cutting themes are:-

- Customer access, customer services and customer care;
- Sustainable development;
- Equalities, diversity and community cohesion;
- Value for Money;

3.7.2 The Outstanding Council Programme Board (OCPB) ensures that the council maximises efficiencies from its service review programme, in particular from cross cutting reviews.

OCPB consists of the Corporate Management Team (CMT) and the Performance and Business Improvement Manager.

OCPB aims to ensure that services achieve the maximum value for money in delivering the council's strategic priorities and provides the governance and accountability for:

- the forward programme of reviews (both service and cross-cutting);
- 'Level 1' departmental reviews progress and outcomes;
- cross-cutting reviews progress and outcomes;
- procurement reviews, recommendations and outcomes; and
- any other cross-cutting efficiency projects or significant contributions to the achievement of the Medium Term Financial Strategy.

3.8 Other Strategies

3.8.1 In addition, there are other strategies, notably the Human Resource Strategy and IT Strategy, which support the achievement of the Business Plan.

4 Corporate and strategic capital expenditure appraisal planning and control

4.1 Capital Strategy & Asset Management Group(CSAMG)

4.1.1 Merton's Capital Strategy is coordinated by the Capital Strategy & Asset Management Group (CSAMG) which consists of the cabinet member for Asset Management, the cabinet member for Finance and Regeneration and senior officers from each Service Department, together with officers from Corporate Services (Finance, FM and IT).

4.1.2 The role of CSAMG 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. It also has a co-ordinating, monitoring, 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.

- 4.1.3 The CSAMG recommends to councillors how capital resources should be allocated, based on submitted scheme bids, which are prioritised on the criteria as set out later in this document. Approved capital schemes are monitored monthly at each stage of the life cycle of the schemes to ensure that projects are completed within time and budget. These reports are considered by the CSAMG as well as by CMT and cabinet. Where a scheme has not started in accordance with timetable, a review is undertaken before a decision is made to delete it and the resources released.
- 4.1.4 The council has had a robust policy for many years of reviewing and disposing of surplus property, detailed in the Asset Management Plan (AMP). However, the economic recession has slowed disposals in 2009/10 and will continue to have an effect for 2010/11 and probably the following year. All capital receipts including housing capital receipts are pooled and are used either to finance further capital investment or for the payment of premiums on repayment of higher interest loans.
- 4.1.5 The cabinet approves annually the Capital Programme and any in-year additions or deletions. Departmental data relating to the council's priorities and key indicators is reported quarterly to cabinet. Chief Officers allocate responsibility for individual projects to specific officers who will provide a progress statement for each project, detailing spend against budget, what stage in project implementation has been reached and a forecast of project outturn and revised completion dates. This monitoring information is considered by departmental management teams and management action identified where necessary. Members receive regular monitoring reports to inform and assist them - a corporate summary is considered by CSAMG and any recommendations included in the report to cabinet. This is open to review by the Overview and Scrutiny Commission. Regular quarterly reviews include options to address problems relating to funding, delays and so on.

4.2 Risk Management

- 4.2.1 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. Regular reports on risk are made through the Audit Committee to cabinet and council.

- 4.2.2 Ongoing year-on-year significant capital items are reflected in the departmental risk registers by risk assessment of the outcome targets. An example would be the Waste Partnership contract. Significant new specific schemes such as the refurbishment of the authority's leisure centres and the SEN Centre of Excellence will have their own risk registers as part of the projects' control.
- 4.2.3 The risk of slow progress on all capital schemes is reported by a "traffic light coding" matrix, monitored by the Corporate Management Team and Capital Strategy & Asset Management Group and reported to cabinet.
- 4.2.4 Risk of overspending on capital schemes is managed by Departmental Management Teams. This can be by financial risks identified in specific sections. For example in the Environment and Regeneration Department, Highways Section and Traffic & Parking Sections have specific financial risks. Risk of overspending can also be managed by general risks. For example the Children, Schools and Families Department has identified risks in relation to Financial Management and the management of major capital projects.
- 4.2.5 Over and under-spending is monitored by the Capital Finance Team and reported to the Corporate Management Team and the Capital Strategy & Asset Management Group, with reports going on to cabinet and the Way We Work Panel.

5 Revenue budget implications of capital investment

5.1 Revenue cost or savings

- 5.1.1 Capital schemes are evaluated by cost benefit analysis and the appraisal of new capital expenditure includes an assessment of the revenue cost or savings implications upon the council's Revenue Budget and the extent to which projects result in efficiency savings or improved outcomes. The council recognises that the introduction of the prudential framework provides the council with greater freedom and flexibility, subject to the constraints of the council's revenue budget. In the past, operational leasing has been used extensively to fund equipment, transport vehicles, plant and IT related equipment as it provides a built-in discipline with ongoing funding for regular replacement. However, with the introduction of the Prudential Code it has been possible to undertake additional borrowing subject to an assessment of prudence, affordability and sustainability and this option is pursued where it is prudent, affordable and sustainable.

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. The interest commences immediately the expenditure is incurred. The revenue effects of the capital programme are fully taken account of in the Medium Term Financial Strategy, with appropriate adjustments for slippage, timing of capital payments and the use of internal investment funds. The additional revenue effects of the capital programme, built into the MTFS as set out in Section 3 of the main report, are set out below:

Revenue effects of Capital Programme			
	2010/11	2011/12	2012/13
	£000	£000	£000
Total	1,548	2,500	2,500

6 Capital resources 2010-2013

6.1 Variety of sources

6.1.1 Capital expenditure is funded from a variety of sources:-

- Borrowing supported by the Government;
- Single Capital Pot which is available for general use
- Ring-fenced which is earmarked for a specific project or purpose
- Specific grants - earmarked for a specific project or purpose;
- Capital receipts from the disposal of surplus and under-utilised land and property; and
- Other contributions such as Section 106 and from leaseholders.

6.2 Prudential Code

6.2.1 In addition, under the Prudential Code, it is permissible for local authorities to undertake borrowing that is unsupported by the Government. In order to do this the authority must ensure that the expenditure is prudent, affordable and sustainable. Merton has utilised prudential borrowing for a number of its spending areas. This expenditure is always only undertaken when the associated revenue costs have been projected and incorporated in the Medium Term Financial Strategy.

6.3 Annual Minimum Revenue Provision (MRP) Statement

6.3.1 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.

6.3.2 The statement is set out in the *Treasury Management Strategy*.

6.4 Single Capital Pot

6.4.1 Single Capital Pot (Non-earmarked resources)

Non-Earmarked Resources available	2010/11 £000
Single Capital Pot (SCE (R)) Education	5,470
Total	5,470

6.4.2 The Single Capital Pot (SCE (R)) provides general approval to borrow to fund schemes at Merton's discretion. Resources to fund the revenue effects of the borrowing are included in the formula grant announced in the Local Government Finance Settlement. However, as Merton is at the floor, no additional grant has been received to pay for the extra borrowing costs.

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, a forecast of receipts from the sale of council houses is included but up to the transfer of the housing stock the council was only able to use 25% of these to finance new capital expenditure. After the transfer of the housing stock to Merton Priory Homes, the council will continue to receive a share of the receipts from Right to Buy applications and, it is anticipated that through future sharing arrangements, receipts from the sales of void properties, sales of development land and VAT saving on expenditure on stock enhancements.

7.2 Property as a corporate resource

7.2.1 The council treats its property as a corporate resource, oriented towards achieving its overall goals, underpinned by:

- Clear links to financial plans and budgets
- Effective arrangements for cross-service working
- Champions at senior officer and member level
- Significant scrutiny by members

- 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 is used at the design stage for significant projects such as the SEN Centre of Excellence, incorporating future periodic capital replacement costs, projected maintenance and decommissioning costs.
- 7.2.4 Whole life costing is also being used for monitoring all projects which span more than one year. In other words the total costs of the projects are examined as well as the costs in-year.

7.3 Housing receipts

- 7.3.1 Under The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 local authorities are required to pool receipts from the disposal of housing land. This means that a specified proportion of each receipt has to be paid to the Secretary of State within a specified timescale. The specified amount is an amount equal to 75% of the capital receipt in relation to the disposal of a dwelling and 50% in relation to the disposal of any other interest in housing land. Authorities are able to reduce the amount pooled if the receipts are applied towards the provision of affordable housing or on regeneration projects. The definitions of these used in the legislation are:-
- 7.3.2 Affordable housing: “means the provision of dwellings to meet the housing needs, as identified by the authority , of persons on low incomes, whether provided by the authority or a social landlord....”
- 7.3.3 Regeneration projects: “means any project for the carrying out of works or activities on any land where
- a) the land or a building on the land, is vacant, unused, underused, ineffectively used, contaminated or derelict; and
 - b) the works or activities are carried out in order to secure that the land or the building will be brought into effective use.... The undertaking of a regeneration project on land situated within the area of the local authority is a specified project.”
- 7.3.4 Those schemes, which the Council has recognised as being eligible for funding by housing receipts are noted in the right hand column of the detailed programme.

8 Summary of estimated disposals 2010-2013

8.1 Potential capital receipts

8.1.1 In 2008 there began severe economic world difficulties which have 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 2010-2013. Therefore a cautious view has been taken of the potential capital receipts identified through the Asset Management Review (AMR), and the following table represents a 'best prudent view' at this time in respect of an anticipated cash flow and therefore capital receipts have not been used as a source of funding for the capital programme at this stage:-

	2010/11 £000	2011/12 £000	2012/13 £000
Total	500	1,000	1,000

8.2 Debt repayment

8.2.1 The Council has approved a strategy to reduce its level of debt. For the period 2010-2013, the optimum use of capital receipts will continue to be to pay the premiums on the repayment of those authority debts which have high fixed interest charges. Consequently, prudential borrowing will be used in respect of those parts of the programme, which are not covered by earmarked funding.

9 Earmarked capital resources

9.1 Specific Programmes

9.1.1 In addition to Single Capital Pot allocations, the Government provides resources in respect of a range of specific programmes. These resources are allocated by Government departments to enable authorities to carry out capital projects which they have identified as important for their own programmes. Details of projects for which there are Earmarked Capital Resources are as follows:-

9.2 Transport

Funding for Transport for London schemes will be set out when advised.

9.3 Housing

With the transfer of the housing stock to Merton Priory Homes the authority will no longer be receiving a Major Repairs Allowance as the council will no longer be responsible for maintaining council housing post transfer.

9.4 Environmental and Regeneration

	2010/11 £000	2011/12 £000	2012/13 £000
Transport	TBA	TBA	TBA
CCTV (match funding)	50	50	50
Crime, Reduction, ASB & Drugs – funded by the Home Office	58	58	
Disabled Facilities Grant	420	420	420
Green Spaces	199	270	
Transportation enhancements	0	2,500	2,500
TOTAL: Environment and Regeneration	727	3,298	2,970

9.5 Children, Schools and Families

	2010/11 £000	2011/12 £000	2012/13 £000
Extended Schools	144	TBA	TBA
ICT Harnessing Technology	453	TBA	TBA
Modernisation	1,098	TBA	TBA
Devolved Formula Capital	2,779	TBA	TBA
Targeted Capital Fund	3,000	TBA	TBA
Primary Capital Programme	5,378	TBA	TBA
Childrens Centres	528	TBA	TBA
Popular & Successful Schools	306	TBA	TBA
TOTAL: Children, Schools and Families Earmarked	13,686		

TBA – To Be Advised

9.6 Community and Housing

9.6.1 Allocations are expected in respect of:-

- Share of Mental Health Services Pot
- Improving Information Management

9.7 Summary of earmarked resources 2010/11

9.7.1 The earmarked 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 2010/11:-

Earmarked Resources	2010/11 £000	2011/12 £000	2012/13 £000
Environment and Regeneration Children, Schools and Families	727 13,686	3,298 TBA	2,970 TBA
Total Earmarked Resources	14,413	3,298	2,970

TBA – To Be Advised

10 Summary of Total Resources 2010-2013:

10.1 Summary

10.1.1 The total anticipated resources over the plan period 2010-2013 is summarised in the following table:-

	2010/11 £000	2011/12 £000	2012/13 £000
Earmarked Resources Total	14,413	3,298	2,970
Other	2,524	971	195
General Fund Borrowing	36,879	37,798	35,871
Total	53,816	42,067	39,036

10.2.2 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.

11 Capital bids and prioritisation criteria

11.1 Prioritisation of schemes

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. Prioritisation of schemes is initially achieved by appraising them against criteria which were agreed by the Capital Strategy & Asset Management Group. The prioritisation framework used is as follows:-

Types of expenditure	
Essential highways infrastructure maintenance and repair	15
Other property related work to maintain infrastructure	15
Addresses Community Plan objective	5
Leverages external funding	5
Has significant CPA impact	10
Legal/mandatory/contractual commitment	5
Supports shared service provision	10
Addresses climate change impact	10
Leads to a revenue saving – payback within 3 years	5
Leads to a revenue saving – payback within 5 years	10
Leads to a revenue saving – payback within 10 years	7
Revenue cost (e.g. staffing, running costs, etc.)	5
	-20

11.1.2 Finalisation of the Programme for 2010/11 took into account the degree to which the schemes were essential, looking particularly at where contractual commitments had been entered into and the extent to which schemes delivered council priorities as detailed in the Business Plan. In formulating a 3 year affordable capital investment programme, it is essential that such a programme provides investment for the council's infrastructure that fully supports the strategic priorities contained within the Business Plan.

11.1.3 By applying the criteria shown above, the Corporate Management Team has reviewed the extent to which the objective in matching business plan priorities, other essential and necessary works, and the overall affordability, can be achieved.

11.1.4 Additional capital resources can be identified in the form of additional borrowing arranged under the Prudential Code. However, such borrowing, whilst it may satisfy the criteria of the Code, will, nevertheless, provide additional spending pressures on a revenue budget which is itself constrained and under pressure.

11.1.5 The overall approach to prioritisation is one which:-

- leverages funding from external private and public sector partners (e.g Groundwork Trust, Social Housing Grant)
- assesses the condition of the council's capital assets as identified as part of the council's asset management plans
- evaluates the backlog of maintenance identified from the condition surveys and the overall time horizon over which it would be feasible to bring assets up to an agreed standard.

- recommends a defined multi-year programme for which resources are set aside subject to availability and annual review and allocated to individual repair and maintenance schemes based on priority need
- allows all schemes to be assessed on the basis of the extent to which they address the council's priorities as set out in the Community Plan, Business Plan and have a significant impact on Performance Indicators in respect of Comprehensive Area Assessment.

11.2 Merton's approach to PPP/PFI

11.2.1 The Council utilises partnership arrangements with the private sector and other public sector bodies where it offers an advantage or expertise in the provision of overall service solutions. This includes other local authorities, local authority companies and consortia as well as Private Finance Initiatives.

11.3 Links to Other Relevant Strategies and Plans

11.3.1 The council's overall Vision and Strategic Objectives have been informed by the Community Plan. Within this framework the Business Plan will draw these together setting out the targeted actions required. There are a number of individual Plans such as Housing Strategy, Local Implementation Plan (Transport), Community Care Plan and Waste Strategy. These plans are updated regularly and reviewed annually in response to changing circumstances and impact on the council's capital investment plans.

11.4 Detailed Capital Programme 2010/2013

11.4.1 The total of the approved Capital Programme for 2010-2013 is as follows:

Total Capital Programme 2010/13	2010/11 £000	2011/12 £000	2012/13 £000
	53,816	42,067	39,036

11.4.2 The detailed approved Capital Programme for 2010-2013 follows:

CAPITAL PROGRAMME 2010/13**CAPITAL PROGRAMME ALL SCHEMES**

Summary of totals

Funding:

	2010/11	2011/12	2012/13
	£000	£000	£000
Earmarked	14,413	3,298	2,970
Borrowing	39,403	38,769	36,066
Total	53,816	42,067	39,036

EARMARKED AND SCHEMES FUNDED BY BORROWING - TOTAL

Summary of totals

Department:

	2010/11	2011/12	2012/13
	£000	£000	£000
Children Schools and Families	32,199	15,885	6,030
Community and Housing	637	497	637
Environment and Regeneration	13,702	18,656	25,339
Corporate Services - R&M DDA	4,105	3,940	4,410
Corporate Services - IT	3,173	3,089	2,620
Total	53,816	42,067	39,036

SCHEMES FUNDED BY DEPARTMENT - TOTAL

Summary of totals

Department:

	2010/11	2011/12	2012/13
	£000	£000	£000
Children Schools and Families	13,686	0	0
Community and Housing	0	0	0
Environment and Regeneration	727	3,298	2,970
Corporate Services - R&M DDA	0	0	0
Corporate Services - IT	0	0	0
Total	14,413	3,298	2,970

EARMARKED SCHEMES - TOTAL

Summary of totals

Department:

	2010/11	2011/12	2012/13
	£000	£000	£000
Children Schools and Families	18,513	15,885	6,030
Community and Housing	637	497	637
Environment and Regeneration	12,975	15,358	22,369
Corporate Services - R&M DDA	4,105	3,940	4,410
Corporate Services - IT	3,173	3,089	2,620
Total	39,403	38,769	36,066

SCHEMES FUNDED BY BORROWING - TOTAL

Children, Schools and Families

	2010/11	2011/12	2012/13
	£000	£000	£000
Earmarked Schemes			
Scheme Description			
Childrens Centres	528	TBA	TBA
Devolved Formula Capital	2,779	TBA	TBA
Extended schools	144	TBA	TBA
ICT Harnessing Technology Grant	453	TBA	TBA
Modernisation	1,098	TBA	TBA
Primary Capital Programme	5,378	TBA	TBA
Targeted Capital Fund (TCF)	3,000	TBA	TBA
Wimbledon Chase DCSF grant	306	TBA	TBA
Total Earmarked Schemes - Children, Schools and Families	13,686	0	0

Schemes funded by borrowing

Scheme Description			
6th forms - additional finance	3,588	0	0
Building School for the Future (BSF) feasibility work	650	1,300	1,250
OLM Additional Software Licences	60	0	0
Pupil Growth - Current	3,070	400	0
Pupil Growth - Additional expansion	8,897	14,115	4,710
School Meals / Kitchens - Joseph Hood	361	0	0
Schools Access Initiative Inclusion	70	70	70
SEN - St Ann's Special School (pls Finance to buy Land)	1,817	0	0
Total Schemes funded by Borrowing - Children, Schools and Families	18,513	15,885	6,030

Total Schemes Children, Schools and Families	32,199	15,885	6,030
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Community and Housing

	2010/11	2011/12	2012/13
	£000	£000	£000
Earmarked Schemes			
Scheme Description			
Total Earmarked Schemes Community and Housing	0	0	0
Schemes funded by borrowing			
Day centre kitchen/toilet/IT upgrades	0	110	150
JMC LD Day Centre	0	0	0
Media Fund	287	287	287
Refurbishment of other libraries			200
Refurbishment of West Barnes library	0	100	0
Works to Merton Adult Education Centre to facilitate expansion of Joseph Hood School	350	0	0
Total Schemes funded by Borrowing - Community and Housing	637	497	637
Total Schemes Community and Housing	637	497	637

Environment and Regeneration

		2010/11	2011/12	2012/13
		£000	£000	£000
Earmarked Schemes				
Scheme Description				
CCTV and Anti-Social Behaviour (ASB) (Formerly on chief executives)				
CCTV (match funding)		50	50	50
Crime Reduction, ASB & Drugs - funded by the Home Office		58	58	0
Other Earmarked Schemes				
Disabled Facilities Grant -DCLG contribution		420	420	420
Earmarked Schemes - Transport for London		TBA	TBA	0
Leisure Services Condition of Parks, Open Spaces & Buildings		199	270	0
Transportation enhancements in Wimbledon, Morden and Mitcham town centres (gyratory removal and implementation of shared surfaces)		0	2,500	2,500
Total Earmarked Schemes Environment and Regeneration		727	3,298	2,970
Schemes funded by borrowing				
CCTV and Anti-Social Behaviour (ASB) (Formerly on chief executives)				
Additional signs and the CCTV system		30	0	0
CCTV (match funding)		50	50	50
CCTV Equipment Programme		48	0	0
Mobile speed cameras		40	20	20
Environmental health				
Disabled Facilities Grant LBM Contribution		280	280	280
Private Sector Housing Programme	(R)	40	40	40
Grass Cutting and Tree Maintenance				
Highway trees inspection, data update and works		25	25	25
Greenspaces				
Bank reinstatement at Havelock Allotments		400	0	0

Environment and Regeneration

		2010/11	2011/12	2012/13
		£000	£000	£000
Boundary fencing and painting to raise the standard of Parks to Greenflag level for priority sites		30	0	0
Bridge inspection surveys in Parks		10	10	10
Demolition and rebuild of changing rooms at Morden Park		0	110	0
Gap Road Cemetery railings in danger of falling over		50	0	0
Groundwork Trust		47	47	0
Installation of public disabled toilet at Gap Road Cemetery		15	0	0
John Innes Park Zaun fencing around the Recreation Ground		0	0	40
New pavilion at Abbey Recreation Ground		150	0	0
Parks Investment		250	250	250
Railings at London Road Cemetery		25	0	0
Refurbishment of London Road public, staff and disabled toilets		55	0	0
Repairs and replacement Lighting in Parks		10	0	0
Trees for Cities Programme (& Other Tree Planting/Nature Conversation)	(R)	0	25	0
Upgrade access paths around the main routes at Cannizaro Park		40	0	0
Wall repairs at Church lane playing fields and John Innes Park		10	0	0
Wimbledon Park drainage improvements		100	0	0
Works to prevent access by Travellers onto Parks and Open Spaces		10	0	0
Highway Maintenance				
Bridge Inspection		39	31	58
Bridge Repairs General		50	50	70
Bushey Road bridge repair		140	10	25
Demand for Surface Water Drainage - Flooding		56	59	62
Develop AMP - Highways Management		0	0	0
Highways bridges and structures improvements		174	268	0

Environment and Regeneration

	2010/11	2011/12	2012/13
	£000	£000	£000
Highways Maintenance - Borough Roads including accelerated schemes in 2009/10	1,463	1,570	1,884
Maintenance Anti-Skid and Coloured	75	78	90
Public Rights of Way Improvement Plan	20	20	20
Repairs to Footways including accelerated schemes in 2009/10	462	1,046	1,255
Replacement of Structures	24	26	28
Selby bridge treatments	50	0	0
Wimbledon Bridge	200	0	0
Leisure Centres			
Morden Park Pool and Leisure Centre Investment	0	1,000	10,000
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	150	600	350
Leisure Facilities and Support Services			
Decorating Gap Road Chapel	5	0	0
Heritage/Culture	100	200	700
Wimbledon Theatre Refurbishment	550	0	0
On and Off Street Parking			
Disabled Parking	45	0	0
Parking management - CPZ; disabled parking bays & waiting restrictions	380	380	0
Resurfacing of Peel House Upper Car Park	290	0	0
Improved parking for shop parades (dropped kerbs, machines, etc)	100	100	100
Plans and Projects			
Climate Change Initiatives	120	140	140
Reducing LBM Carbon Footprint - Invest to Save	0	140	140

Environment and Regeneration

	2010/11	2011/12	2012/13
	£000	£000	£000
Property Management and Review			
WCA investment	50	0	0
Regeneration Partnerships			
Investment In Deprived Areas - East Merton.	80	80	80
Investment in industrial estates to create high-tech industrial park for key sectors	250	250	250
Mitcham Town Centre Development	50	50	50
Town centre investment	0	250	250
Unlocking Development in Morden Town Centre	250	370	400
Street Scene			
Adoption of nursery road, Abbey	82	0	0
Street scene enhancements (25 year programme)	1,250	1,250	1,250
Street tree programme (25 year programme)	125	125	125
Street Lighting			
Street Lighting Replacement Programme	195	245	269
Traffic and Parking Management			
20's Plenty & Area Traffic Calming	90	96	86
Area Traffic calming measures/investigation	90	90	100
Boroughwide waiting restrictions	20	0	0
Footway parking - policy/pilot schemss	50	0	0
Minor traffic / danger reduction measures	100	100	120
Traffic surveys & Investigations	30	30	30
Traffic surveys and safety measures/investigations	46	46	56
Transportation enhancements in Wimbledon, Morden and Mitcham town centres (gyratory removal and implementation of shared surfaces)	0	2,500	2,500
Wimbledon Hill Traffic Lights	458	186	0
Wimbledon Area Traffic Study	72	0	0

Environment and Regeneration

	2010/11	2011/12	2012/13
	£000	£000	£000
Transport and Plant			
Replacement of Fleet Vehicles	500	500	0
Waste Operations			
Alley Gating Scheme - Fly Tipping	50	50	50
Barrows and Bins Replacement Programme	50	60	60
Extension of kitchen waste collection to entire borough	500	0	0
Kitchen Waste Containers replacement	0	0	26
Planned Maintenance of Re-use/recycling Sites	40	40	40
Street Waste Collection Machines	200	0	0
Waste Phase B requirements - Replace Large Waste Collection Vehicles and Purchases	2,089	2,465	990
Other			
Completion of the mobile working initiative	50	0	0
Total Schemes funded by Borrowing - Environment and Regeneration	12,975	15,358	22,369
Total Schemes Environment and Regeneration	13,702	18,656	25,339

Corporate Services - IT

	2010/11	2011/12	2012/13
	£000	£000	£000
Schemes funded by borrowing			
Scheme Description			
Connect to N3 Netwrk NHS Spine	75	0	0
Corporate mobile working	88	64	0
CRM / Self Service	226	0	0
Disaster recovery (IT Generator)	164	0	0
Document Management - Contractual	110	0	0
e-procurement	143	0	0
Handheld Terminals - Parking	120	0	0
IT Equipment	625	565	620
IT Strategy	400	460	0
Livelihood Updated	60	0	0
PABX	70	0	0
Replace Providerlink / Homecare Rostering / Scheduling	76	0	0
Streetworks Permit	16	0	0
Transformation (IT)	1,000	2,000	2,000
Total Schemes funded by borrowing Corporate Services - IT	3,173	3,089	2,620

Corporate Services - R&M DDA

Schemes funded by borrowing			
Scheme Description			
Capitalisation MTFS includes an equal credit	1,500	1,500	1,500
Civic Centre refurbishment	705	540	510
Civic Centre Windows	0	0	1,600
Energy Utilities Invest to Save	100	100	0
Invest to Save schemes - General	100	100	100
Redundancy Payments	1,000	1,000	0
Repair and Maintenance	700	700	700
Schemes funded by borrowing			
Total Schemes funded by borrowing Corporate Services - R&M & DDA	4,105	3,940	4,410
Total Schemes funded by borrowing Corporate Services	7,278	7,029	7,030

TREASURY MANAGEMENT STRATEGY
Review of 2009/10 and Forward Strategy 2010/11

1. INTRODUCTION

- 1.1 The authority has to date adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management, and this requires that treasury strategy be reported to the council for approval.
- 1.2 Treasury strategy seeks to ensure that the authority has sufficient cash liquidity to meet the needs of expenditure, and that the borrowings and investments that relate to this are managed to provide financing at least cost.
- 1.3 The income and expenditure to be incurred in treasury (borrowing and investment) activities, is determined in the corporate budget. The latter takes due account of the Prudential Code Regulations in respect of affordability and sustainability, and establishes *Prudential Indicators* that determine the amount of borrowing that may be incurred. The Treasury Strategy is the means by which the budget for borrowing and investment is to be achieved.
- 1.4 Following the Banking sector problems of 2008, CIPFA have revised their Code of Practice, with particular emphasis on governance and control of risk in treasury activities. The Treasury Strategy accommodates the key practical aspects of the new CIPFA Code, and has been developed with concern to minimise the risks to which treasury activities are exposed, and to comply with CLG guidance that the security of funds and the maintenance of liquidity are to be prioritised above the yield obtained from treasury transactions.

In addition, as recommended by CIPFA, the report proposes that the council resolves to re-adopt the Code and to incorporate four particular clauses into Standing Orders or Policy documents to focus attention on the need for adequate governance of treasury activities:

- The council will create and maintain a Treasury Management policy statement which will include its objectives for treasury management and its policy regarding treasury risks. In addition it will document its required Treasury management practices and how it will manage and control such activities.
- Full council will receive reports on its Treasury management policy and practices, including an annual Treasury Strategy report, a mid year update of the strategy, and reports on the performance of treasury activities relative to budget and/or other benchmarks.
- The council will delegate responsibility for the execution and administration of Treasury activities to its Chief Finance Officer

(Director Corporate Services) who is required to act within the parameters of the Council's Treasury Policy and Practices, and may delegate responsibility for interim monitoring of its Treasury activities, to (a named committee, to be decided).

- The council nominates the Corporate Capacity Overview and Scrutiny Panel to be responsible for scrutiny of Treasury operations.

2. REVIEW OF 2009/10

2.1 No new long-term borrowing has currently been undertaken. Its prospective cost of up to 4.5% is substantially higher than that available from investment of LBM's cash balances, and so it has been preferable to forego the investment return and use otherwise invested balances to finance capital expenditure. Outstanding long-term debt remains at £155.5m.

2.2 LBM's debt is essentially on fixed rate terms, and therefore without any new borrowing or re-financing of debt maturities, debt cost is stable. Movements in Base Rate do not feed through to long-term debt cost in the short-term. (Although any occasional temporary borrowing is affected). Therefore debt cost remains within budget.

2.3 Progress on debt redemption to date has been as follows:

	£m.	Reduction of £m.	Average interest rate%
1 st April 2006	185.5		6.7
1 st April 2007:	177.5	-8.0	6.6
1 st April 2008:	162.5	-15.0	6.6
1 st April 2009	155.1	-7.4	6.5
Total		-30.4	

2.4 Continuation of the debt redemption programme has been delayed because the reduction of interest rates following the 2008 banking sector crisis raised redemption premiums to a level that eroded the economic advantage of redemptions. In that it is expected that other treasury activity will satisfy the overall treasury budget for 2009/10, it has been considered appropriate to defer redemptions until rates are more attractive. Confidence that long-term interest rates are on a rising trend (to improve redemption prospects) has been born-out in practice, and there is now a prospect that some debt redemption will take place within the financial year, albeit that its value remains uncertain.

2.5 The amount of funds under investment (c.£100m) remained relatively stable during the year, but interest rates offered by secure counterparties have hovered below the 0.5% Base Rate at near 0.2% for short-term deposits. In itself such a low level of interest rates would not satisfy the treasury budget, but fortunately a trend to lower rates had been anticipated, and a substantial value of deposits were placed at higher

fixed rates before the impact of the banking crisis, and these have provided substantial compensation.

- 2.6 The authority's policy for treasury management has allowed it to avoid defaults on its deposits, and current investments are all with counterparties of high credit status.
- 2.7 A prudent credit policy has maintained security, but it has limited the range of deposit-takers with whom LBM will deal, and this tends to reduce the interest rate earned, and the range of deposit periods available. This limits relative investment performance, but is supported by CLG guidance that emphasises the security should be prioritised over yield.
- 2.8 Treasury performance relative to budget is monitored and modelled, and whilst the background economic and market scenario has been problematic for treasury activity, currently debt cost and investment income are expected to allow the treasury budget target for 2009/10 to be achieved.
- 2.9 Throughout 2009/10 treasury activities have complied with the parameters set by the Prudential Indicators agreed in the 2009/10 Budget Report.

3. EXTERNAL ECONOMIC INFLUENCES AFFECTING STRATEGY

- 3.1 Treasury strategy is influenced by the effect of interest rate movements on borrowing cost and investment return. To inform consideration of this, forecasts are obtained from a consensus of professional sources.
- 3.2 The downturn/recession in the world and UK economies, and the liquidity issue in the banking sector, have caused the UK Base Rate to fall to 0.5%. Forecasts suggest rates will in due course rise from this level, but forecasts are mixed in respect of the pace and extent of an increase.
- 3.3 The trend in interest rates is developing faster in the long-term area of the market than in the short-term.
 - 3.3.1 The short-term market is restrained by a low Base Rate (0.5%), substantial market liquidity, and the prospect of a faltering or slow economic recovery. It is forecast that the rates available in 2010/11 will range from near 0.2% to 0.5% for overnight to week deposits, and up to 1.5% for one year. This limits the level of interest that can be earned on LBM's invested balances, unless deposits are placed for longer periods.
 - 3.3.2 The longer-term, capital, market is concerned by the prospect of future inflation and the risk of precipitate interest rate increases following from any devaluation of Sterling or downgrading of the UK's or borrower's credit status. This affects long-term borrowing costs and debt

redemption prospects. A typical Public Works Loans Board (PWLB) borrowing cost for long-term funds is currently c.4.5%, but this is expected to rise to close to 5% during the year.

4. FINANCING EXPENDITURE 2010/11

4.1 Revenue Expenditure and Cashflow

4.1.1 Revenue income and expenditure are set to balance over time, and this is determined via the setting of the budget. However, in the short-term expenditure and income are unlikely to balance on any one day, and deficits have to be financed, and surpluses invested. Deficits may be financed by either applying any invested funds that can be drawn-down on that day, or by temporary borrowing, (including overdraft).

4.1.2 DCLG guidance determines that a tranche of liquidity, (described as Specified Investments) be available to support management of cashflow deficits, and this has been established. However, application of otherwise invested funds does mean that their ongoing investment is curtailed, and so investment income is compromised.

4.1.3 Where it is not practical or economic to have cash investments maturing or recalled on the date of a deficit, temporary borrowing, (repayable within the year, and normally in a matter of days), will need to be arranged. (DCLG guidance does not prescribe whether it should be liquidity or temporary borrowing that is applied to cashflow deficits, and the decision on which to use is an operational one, based on relative practical and economic advantage). Temporary borrowing is accommodated, under the Prudential Code, in the margin between the Operational Boundary and Authorised Limit for borrowing, and this allows temporary borrowing of up to £30m. In 2010/11, and in the remainder of 2009/10, it may on occasion be economically appropriate to exploit the capacity for temporary borrowing to ensure that investment strategy is not disrupted by cashflow events.

4.2 Capital Expenditure (short-life assets)

4.2.1 The financing options for short-life assets (e.g. vehicles and IT equipment) are borrowing, leasing, or usage of set-aside balances. Best practice requires the financing period to match the expected life of the asset, (and so avoid finance cost continuing after disposal).

4.2.2 For leasing to be the most economic option, there must be a disciplined programme of asset management and replacement. Without this, lease terms may have to be extended, incurring additional costs. Budget constraints often cause asset replacement cycles to be extended, and the prospective benefit of leasing is then eroded or lost.

- 4.2.3 Borrowing allows ownership of assets, and this offers flexibility in the timing of asset replacement and benefit from disposal proceeds. Borrowing, particularly on an annuity basis matched to the life of assets, offers a disciplined financing programme, and can be more economic than leasing where the lease is extended and additional charges are incurred.
- 4.2.4 Financing of short-life assets by the usage of set-asides is currently, in the short-term, the cheapest option, (the foregone investment return being well below other financing costs). Whilst this would not continue to be the case if investment returns rise to the level of available borrowing costs or above, this situation is not foreseen for 2010/11 and immediately beyond, and so the option of using set-asides is the most economic at the present time

4.3 Capital expenditure (major long-term assets)

- 4.3.1 Expenditure not financed by grants may be financed by borrowing, usage of set-aside funds, or leasing.
- 4.3.2 Leasing is not normally an economically attractive option for long-term assets given that Local Authorities have access to preferential direct borrowing rates or set-aside funds.
- 4.3.3 The usage of set-asides foregoes the return available from their investment, and which is the cost of their usage. In the interest rate scenario forecast for 2010/11 investment rates are expected to be significantly below borrowing cost, and this argues that new capital expenditure should be financed from set-asides rather than borrowing.
- 4.3.4 However, it should be noted that the current economic and market situation is exceptional, and it would therefore be appropriate for officers to have scope to make the decision to borrow or not as practical circumstances develop, rather than for this to be precluded as an secondary option.

4.4 Debt Redemptions and Debt re-financing

- 4.4.1 The principal amount of any debt that is redeemed in 2010/11 could be financed either by the usage of set-asides, or re-financed by new borrowing at a lower interest rate.
- 4.4.2 The amount of set-asides available for this purpose is limited, and whilst their application would reduce the amount of debt outstanding, it reduces cash liquidity. Liquidity is important because it allows cashflow and borrowings to be managed for least cost. In addition, given the forecast interest rate scenario it is important to maximise the amount of funds remaining under investment, so as to support investment income, and

this argues that it may well be appropriate to finance redemptions by undertaking replacement borrowing at lower cost.

- 4.4.3 Replacing items of existing debt by new borrowing can be economic, and where fixed rate finance replaces fixed rate finance, there is the advantage that the margin of cost saving is definite. (The opportunity-cost of using set-aside funds is a variable rate).

5. DEBT MANAGEMENT STRATEGY 2010/11

- 5.1 Debt management strategy is concerned with managing and developing the profile of existing debt to reduce its cost and limit the volatility of that cost.

- 5.2 The profile of debt maturities at 9th February 2010 is:

Debt maturing in:	£	Average rate %	% of total
Less than one year	220,812	4.80	0.12
1 to 2 years	124,400	4.85	0.08
2 to 5 years	0	0	0.00
5 to 10 years	22,900,000	10.07	14.74
10 to 15 years	49,700,000	6.68	31.98
15 to 20 years	4,500,000	8.37	2.90
20 to 30 years	12,500,000	5.20	8.04
30 to 40 years	13,500,000	6.64	8.69
40 to 50 years	32,000,000	4.70	20.59
50 to 55 years	20,000,000	5.04	12.87
	155,411,498	6.48	100.00

- 5.3 To minimise the risk of requiring significant re-financing when conditions for borrowing or other finance are disadvantageous, parameters have been established to control the profile of debt maturities. (These were reported in the 2009/10 strategy report under Treasury Prudential Indicators). The control is calculated on total borrowing outstanding:

	Lower limit %	Upper limit %
Under 12 months	0	12
1yr to 2yrs	0	12
2yrs to 5yrs	0	36
5yrs to 10 yrs	0	60
10yrs and over	50	100

- 5.4 The profile of the authority's debt is such that the largest maturity in any one year is 12.8% of total debt, falling in the 50-55 year period. This limits the consequence of finance being required when market conditions are difficult or expensive. Any new borrowing would be undertaken so as to maintain a similar or lower level of exposure in any one year.
- 5.5 The maturities within the next five years are those of annuity borrowings undertaken in respect of short-term asset finance. The amount and spread of such maturities is not significant in terms of the current level of liquidity, and these are not expected to be the subject of debt management activity.
- 5.6 The most expensive existing debt matures in 5 to 10 years, and the life of this debt is sufficiently short to offer the prospect of negotiating a re-structuring of that debt to a lower interest rate over a longer term. (This is also an area where redemption may be economically advantageous.) However, current market conditions have diverted lenders from their normal willingness to deal re-structuring, and therefore at present the prospects for re-structuring cannot be anticipated.
- 5.7 The authority has established a Treasury Prudential Indicator to control the exposure of the debt portfolio to movements in interest rates; (i.e. variable rate exposure):

Maximum % Exposure to:	2008/09	2009/10	2010/11	2011/12
Fixed rates	100	100	100	100
Variable rates	50	50	50	50

The portfolio of debt does not contain variable interest rate borrowing as such, but is exposed to variable rates via the consequence of its maturity profile and exposure to Lender's Option loans.

- 5.8 Some 40.6% of existing debt is in the form of Lender's Option Loans; (which have been taken because they offered lower interest rates to equivalent fixed-rate PWLB loans). These are paid as fixed rate loans until the Lender requests a new, higher, interest rate, which may happen if market rates rise significantly above the set Lender's Option rate. If the proposed rate is not acceptable to the authority, the loan can be repaid, (without penalty). The current portfolio of such loans is as follows:

Option exposure	£ prospectively repayable	% of total debt
Market rates in range %:		
4 to 4.99	5,000,000	3.2
5 to 5.99	34,000,000	21.9
6 to 6.99	15,500,000	10.0
7 to 7.99	2,000,000	1.3
8 to 8.99	6,500,000	4.2
	63,000,000	40.6

- 5.9 Currently the level of prevailing long-term interest rates (c.4.5% to 4.95%) relative to the option rates limits the risk of exercise. At the current level of interest rates, and those forecast for 2010/11 only the 3.0% of debt in the 4 to 4.99% range is at risk. The risk of exercise for the higher rate groups is currently considered very limited; (and at current re-financing cost would be welcomed).

In addition, the value of Lender's Option loans is covered by the amount of the authority's set-aside balances, facilitating repayment should the options be exercised, and so limiting the economic risk of running such loans.

- 5.10 Whilst current exposure falls within the Prudential Indicator limit, it is considered that for 2010/11 further variable rate or LOBO borrowing would be inappropriate.

(This position is particularly so given the prospect of c.£20m of HRA-related debt being redeemed via the transfer of housing management, and which redemption has, by associated regulation, to be applied to the fixed-rate PWLB portfolio).

- 5.11 In principle it should be possible to re-structure some Lender's option loans to reduce the interest rate and make revenue savings, albeit extending the term. However, as already noted, the market is not at present operating normally, and whilst it is proposed that this prospect be pursued, it is not possible to forecast the extent of such activity. (Such action would be complementary to the debt redemption proposals considered below).

- 5.12 A programme of debt redemption has been central to debt-management strategy since 2006/7. Whilst progress has been made, and some £30m has been redeemed since 2006/7, the original schedule of redemptions planned for 2006/7, 2007/08 and 2008/09 has been curtailed by lack of capital receipts or revenue resources which regulations require be used to finance redemption premiums. (Debt redemption requires the payment of a premium to the Lender as compensation for their loss of future interest payments when their loan is redeemed.) The programme has also been affected by a change of PWLB redemption regulations in 2007, which has made redemptions more expensive to implement.

- 5.13 The pace at which the strategy can be pursued will be determined by the availability of capital receipts with which to finance premiums. It should also be noted that the level of saving from redemption is indicative, and dependent on the movement of market interest rates. (And when a specific redemption is in prospect, it would be re-evaluated to ensure its economic value before redemption is implemented). Nonetheless, with LBM's average cost of debt at 6.48%, and investment returns below this, debt redemption should remain a key component of future treasury strategy.

- 5.14 Whilst adequate set aside funds are currently available to redeem principal amounts, it is recommended that for 2010/11 replacement borrowing be allowed where this offers economic advantage.
- 5.15 In addition to the management of direct borrowings, some actions may be appropriate on existing leases. Whilst at their inception these were arranged to offer good value, the aging of the underlying assets and changes to the replacement cycle can detract from the benefit of the original terms. Where this occurs, a range of options from extension of lease period to early termination and buy-out will be evaluated and action taken as appropriate.

6. INVESTMENT OF SET-ASIDES 2009/10

- 6.1 The funds under investment comprise set-aside balances, (e.g. unapplied capital receipts), and cashflow surpluses in the authority's General Fund. Investment of these balances is governed by the Local Government Act 2003 and DCLG Guidance.
- 6.2 DCLG Guidance requires that the treasury strategy report informs the council that *investment policy is to prioritise security and liquidity rather than yield*, and explains how *security* is implemented, and adequate *liquidity* maintained.
- 6.3 **Security**
- 6.3.1 Investments are to be placed only with deposit takers that can demonstrate their creditworthiness via: an adequate credit rating by a DCLG-approved rating agency, or a statutory guarantee or unconditional guarantee from an adequately rated parent company, or, in the case of non-rated UK Building Societies, an asset base that compares well with that of an adequately rated Society.
- 6.3.2 Fitch ratings Ltd are the agency normally used for credit rating purposes, but equivalent Moody's data is also used.
- 6.3.3 The authority's criteria for sufficiently high creditworthiness for the placement of new deposits in 2009/10 was a minimum Fitch rating of:
- | | |
|-----------|---|
| F1 | Highest credit quality on a twelve-month view |
| AA | Very Low expectation of credit risk developing |
| C | Adequate/strong institution with limited weaknesses |
| 1 | External support expected |

This standard of rating directs deposits mainly to the senior UK Clearing Banks, the largest UK Building Society, and AAA rated money market funds. All deposits at 9th February 2010 comply with this rating standard.

- 6.3.4 In addition, against the background of banking sector risks in 2009/10, deposits were kept relatively short so as to limit the period of exposure to parties whose creditworthiness might deteriorate.

During 2009/10 there were no impairments to the value of funds deposited.

- 6.3.5 In deciding whether to continue with this standard, it is necessary to consider that limiting deposits to a few high-rated counterparties tends to increase the amount of funds invested in any one counterparty, and limits the level of interest rates earned and the range of deposit periods available. There is therefore an issue of balancing creditworthiness with over-concentration of funds in any one party, and more generally, risk and reward.
- 6.3.6 The revised CIPFA Code of Practice for Treasury Management has reiterated the CLG Guidance that Authorities should prioritise security over yield, and this, and concerns that the financial markets have not completely normalised, argues for a continuation of current credit policy into 2010/11, i.e.

F1 Highest credit quality on a twelve-month view
AA Very Low expectation of credit risk developing
C Adequate/strong institution with limited weaknesses
1 External support expected.

- 6.3.7 In setting this standard it should be noted that in a climate of heightened caution the rating agencies have reduced the ratings of several hitherto substantial banks, and there is little margin to accommodate any downgrade of hitherto acceptable deposit counterparties before they move to non-compliance with the stated 2010/11 policy. Whilst retention of credible Government support provides comfort, the credit policy may need to be revisited if rating changes lead to significant operational problems.
- 6.3.8 The implementation of high credit ratings for deposits concentrates deposits into a relatively small number of counterparties; i.e. between 6 and 10 at the most. Thus the security that comes from the higher ratings has to compensate for a reduced spread of investment over counterparties. Currently the largest deposits in a single institution are with Barclays and LloydsTSB, amounting to c.20% of the overall invested balance. A uniform distribution across the five main UK clearing banks would be 20% per institution, and if the spread is increased to six to seven major institutions, a uniform spread would be in the region of 15% each. If the higher level of credit ratings is to be maintained, it would be ambitious to hope that a wider spread could be reliably achieved. This being so, it is proposed that a spread of 15-20% per counterparty be targeted, but that up to 25% be allowed in any one of the five main clearing banks, subject to the banks not having a negative rating watch. In addition to this on an exception basis a further 5% can be deposited with the authority's main banker with the limit being agreed and signed

off by the Director of Corporate Services. This addition allows for short term cash flow effects.

- 6.3.9 A high rating standard should limit exposure to the risk of a deposit-taker's default; but it will tend to restrict investment opportunities. The best quality counterparties tend to pay interest below the market in general, and may not be willing to deal in deposit periods that suit LBM's strategy. This could be significant for investment returns at a time when interest rates are at depressed levels. If the minimum rating for 2010/11 transactions becomes problematic in terms of available counterparties or significant impairment of investment strategy and performance, the Director Corporate Services may need to exercise discretion to temporarily adjust the policy, pending a further report to councillors.
- 6.3.10 In establishing credit policy, it is necessary to balance security with the need for investment to support the corporate budget. To obtain security beyond that implied by the proposed minimum credit rating, it would be necessary to place investment directly in Government bodies, such as HM Treasury or Local Authorities. However, deposits in central government bodies normally pay interest at significantly lower rates than available from money market deals, and in a scenario where the level of interest rates is already well below normal budgetary expectations, this would be a further handicap. Local authorities may pay closer to, although below, market rates, but they are not reliably available for deals on a day-to-day basis. Against this background, and given adequately rated counterparties, the usage of banking sector deposits is crucial.
- 6.3.11 To further limit exposure to credit risk, the following criteria will also continue to be applied.

	Maximum % of portfolio	Maximum Duration (yrs)	% Allocation at 9.2.2010
Private Sector bodies not credit-rated, or below minimum rating, but otherwise considered creditworthy.	10	1	0
Northern Irish or Scottish Public Sector	10	1	0
Gilts	40	5	0
Sterling denominated Bonds	10	2	0
Money market funds	25	1	5

In addition, the prospective allocation of funds to a deposit-taker will be limited to the capacity of any parent group of organisations to take funds.

- 6.3.12 Even where a credit rating and other parameters allow usage of a particular deposit-taker, treasury officers will consider the extent to which these should be qualified by other data and market intelligence.

6.3.13 Where a credit rating is adequate for an overseas bank trading in Sterling in the London money market, its usage would not be precluded, but particular account would be taken of additional factors such as the credit status and banking environment of the parent country.

6.4 **Liquidity**

6.4.1 CLG Guidance requires that an authority establish a category of *Specified Investments* that will form a secure source of liquidity in a one-year timeframe. The safe default position is to arrange for all funds to be with relatively secure deposit-takers and available to provide liquidity in the short-term. However, a policy of short-term-only investment in only the highest quality names limits the prospect of added value in investment performance, and a reasonable balance needs to be established.

6.4.2 Allowing for the debt-redemptions in prospect in 2010/11, it is considered that for 2010/11 the minimum percentage of investments to mature within a year should be 60% of the total investment portfolio. Given implementation of the proposed credit rating criteria, investments in this one-year category will comply with the DCLG definition of *Specified Investments*.

6.4.3 Funds outside the minimum allocation to *Specified Investments* may be invested beyond one year to obtain higher yield and stabilise yield by extending investment duration. However, longer period investments can introduce a higher level of interest rate and liquidity risk, and DCLG guidance requires the council to approve a maximum allocation. In setting this limit, it is important that there remains scope to exploit any opportunities that the interest rate yield curve presents. Thus it is proposed that the Prudential Indicator for investment allowed beyond one year be:

2009/10 %	2010/11 %	2011/12 %	2012/13 %
40	40	33	33

The reduction of the limit after 2010/11 is in anticipation of invested balances becoming smaller after implementation of debt redemptions.

(The option, in CLG Guidance, for Non-Specified investments to include counterparties of a lower creditworthiness is considered inappropriate to LBM's generally risk-averse policy).

6.5 Investment Strategy

6.5.1 Within the DCLG Guidance that investment should prioritise security and liquidity rather than yield, investment strategy seeks to secure (or better) the budgeted investment return by exploiting the forecast interest rate scenario.

6.5.2 The current consensus forecast suggests that short-term interest rates will rise slowly in 2010/11, (but could be subject to early increase if the value of Sterling falls significantly and precipitately). Longer period deposits are therefore expected to offer the highest available returns.

Since rates are expected to be on a rising trend, it would generally be appropriate to place longer deposits later in the year so as to maximise the rate of interest earned. However, to satisfy the treasury budget for 2010/11, it will be necessary to accrue best available interest rates for most of the year, and not simply the highest available rate for only the later part of the year. Treasury operations will therefore have to establish an appropriate balance between securing relatively good returns for most of the year and higher returns achieved only later in the year.

6.5.3 Whilst the usual mechanism for investment is cash deposit, the relevant regulations allow investment in Gilts, and technically these could be a useful device for securing extended fixed term investment. However, currently Gilt yields are not particularly attractive relative to the budget requirement for investment income, and their use is not at present recommended.

6.5.4 Investment strategy would be reviewed and adjusted as the year, and interest rate movements, progress.

7 Annual Minimum Revenue Provision (MRP) Statement

7.1 Under statutory guidance from the Department for Communities and Local Government (DCLG), authorities are required to prepare an annual statement on their policy on making MRP.

7.2 In the published accounts, assets are depreciated over appropriate periods. These are set out in the table in paragraph 7.6 below. However, in the charge to the General Fund and consequently to the council tax payer, this depreciation is reversed out and substituted by a MRP charge on the authority's total long term debt. In respect of capital expenditure incurred up to 31 March 2008, this charge is a straight 4%.

7.3 With effect from 1 April 2008 the charge to the General Fund for Prudential Borrowing is more closely aligned to the equivalent of the depreciation charge.

7.4 Optional Financing Methods

The statutory guidance distinguishes between capital expenditure financed by borrowing supported by the Government through the Revenue Support Grant and capital expenditure financed through unsupported (prudential) borrowing. For this latter type of capital expenditure the government allows three options.

7.4.1 Asset Life Method – Annuity method

This links MRP to the flow of benefits from an asset where the benefits are expected to increase in later years. It is appropriate with projects promoting regeneration or schemes where revenues will increase over time. The disadvantages of this method are that more complex calculations are involved and justification may be difficult.

7.4.2 Asset Life Method – Equal Instalment method

This is the method currently used by the authority. The method generates a series of equal annual amounts over the estimated life of the asset. The estimated life of the asset will be that used by the authority for depreciation purposes. Where there is no depreciation equivalent, e.g. capitalisation of redundancy costs, there are national guidelines for the appropriate estimated life.

7.4.3 Depreciation Method

This is nearly identical to the Equal Instalment method but is more complicated with some technical differences. CIPFA Financial Advisory Network advises that the Depreciation Method could cause problems with impairments and enhancements.

7.5 Council's current policy is to use the Equal Instalment method and this will continue. The Equal Instalment method is a prudent approach to MRP which is straightforward, understandable and closely aligned with the authority's asset write down approach.

7.6 Depreciation is provided for on all fixed assets (other than land) with a determinable finite life, and is calculated on a straight-line basis over the assets estimated useful economic life. The useful economic life for each asset class is as follows:

Category	Depreciation (Years)
Buildings	40
Infrastructure (roads etc)	25
Computer software	3
Computer hardware	5
Plant & Equipment	5 to 10
Fixtures and Fittings	10
Vehicles	5 to 7

8 Prudential Indicators

- 8.1 The Local Government Act 2003 prescribes a set of Prudential Indicators, the level of which the council is required to agree. Those indicators and the estimated ratios of capital financing and debt are set out in the following table.

8.2 TREASURY PRUDENTIAL INDICATORS

	2008/09 Budget £000	2008/09 Actual £000	2009/10 Budget £000	2009/10 Latest £000	2010/11 Budget £000	2011/12 Budget £000	2012/13 Budget £000
Capital Expenditure							
General Fund	56,400	32,379	65,426	63,803	53,816	42,067	39,036
Housing Revenue Account	6,514	5,491	6,500	6,200			
Net Revenue Stream							
General Fund - Budget Requirement	145,801	153,573	150,113	146,708	152,237	150,796	151,196
Housing Revenue Account	29,067	29,237	29,723	29,723			
Capital Financing Costs							
General Fund	15,497	14,629	18,380	16,308	19,970	23,039	26,036
Housing Revenue Account	-500	-944	-1,016	-1,088			
Ratio of Capital Financing Costs to Net Revenue Stream							
General Fund	10.63%	9.53%	12.24%	11.12%	13.12%	15.28%	17.22%
Housing Revenue Account	-1.72%	-3.23%	-3.42%	-3.66%			

Impact of Capital Investment on Council Tax

General Fund

Effect on Band D Council Tax (£)					21.31	34.42	34.42
Effect on Band D Council Tax (%)					1.95%	3.09%	3.00%

	Budget 31-Mar-09 £000	Actual 31-Mar-09 £000	Budget 31-Mar-10 £000	Latest 31-Mar-10 £000	Budget 31-Mar-11 £000	Budget 31-Mar-12 £000	Budget 31-Mar-13 £000
Capital Financing Requirement							
General Fund	168,270	157,570	187,870	188,243	225,122	262,920	298,791
Housing Revenue Account	-8,195	-6,000	-6,195	-6,000	0	0	0
Overall	160,075	151,570	181,675	182,243	225,122	262,920	298,791

Net External Borrowing

Gross External Debt	187,500	157,231	195,561	163,243	200,122	237,920	273,791
Investments	89,500	96,156	100,000	71,156	71,156	71,156	71,156
Net Borrowing	98,000	61,075	95,561	92,087	128,966	166,764	202,635

A key indicator of the Prudential Code is that over the medium term net borrowing should only be for a capital purpose and that net external borrowing except in the short term should not exceed the total capital financing requirement.

Net Borrowing and CFR Comparison

Overall CFR	160,075	151,570	181,675	182,243	225,122	262,920	298,791
Net Borrowing	98,000	61,075	95,561	92,087	128,966	166,764	202,635
	62,075	90,495	86,114	90,156	96,156	96,156	96,156

PRUDENTIAL SYSTEM FOR CAPITAL FINANCE - BORROWING LIMITS

The Prudential Indicators requiring Council's agreement are as follows:

The **Operational Boundary** is the prospective level of debt allowing for the forecast level of capital financing. It only anticipates debt redemptions where these are currently agreed.

The **Authorised Limit** is the maximum level to which external debt should rise interim to completion of treasury strategy and with allowance for risk.

	2009/10 Budget £000	2010/11 Budget £000	2011/12 Budget £000	2012/13 Budget £000
Forecast Operational Boundary	195,561	200,122	237,920	273,791
Forecast Authorised limit	225,552	230,122	267,920	303,791

- Notes
1. The effects of debt repayments as a result of the housing stock transfer are not included in the projections above.
 2. The information above reflects capital monitoring @ 31/12/2009

MEDIUM TERM FINANCIAL STRATEGY 2010-2013

1. Background

- 1.1 Merton's Medium Term Financial Strategy (MTFS) has been developed to support financial planning over a three year planning horizon. It forms the financial framework within which the Council will develop its Business and Service Plans.
- 1.2 This strategy represents a 3 year financial plan which incorporates Revenue and Capital expenditure plans and illustrates the implications of the budget proposals over a three year period.
- 1.3 This financial plan is based on the business and financial planning that have taken place over the period from April 2009 to February 2010 and reflects the decisions taken as part of setting the Council Tax for 2010/11.

2. Strategic Aims

The strategic financial aims that form the foundation for the period to 31st March 2013 are as follows:

- 2.1 To ensure that balanced budgets are set for the General Fund and for each of the years 2010/11, 2011/12 and 2012/13 and that each spending department is responsible for maintaining expenditure within approved limits;
- 2.2 To ensure that spending plans are closely aligned to the Council's strategic aims and objectives as set out in the Business Plan;
- 2.3 To ensure that revenue and capital budgets are fully integrated;
- 2.4 To ensure that there is an agreed strategy to maintain levels of reserves which are prudent and consistent with maintaining its CAA Use of Resources rating. In addition, that the level of reserves incorporates an analysis and assessment of the risks associated with the budgets proposed;
- 2.5 To maintain the target level set in relation to the General Fund balances of £10.3m by 31/03/10, subject to review based on the levels of prevailing future risk or changing circumstances.
- 2.6 To ensure that effective procedures are in place to make certain that budgets are continually monitored and reviewed to ensure that resources continue to be targeted towards meeting key objectives;
- 2.7 To produce a rolling 3 year affordable capital programme which is fully resourced and targeted towards meeting the Council's strategic objectives;

- 2.8 To provide the budget planning framework to facilitate Council Tax setting over a three year planning horizon.
- 2.9 To achieve minimum efficiency savings of 4% per year over the period of the MTFS;
- 2.10 To meet the National Procurement Strategy targets;
- 2.11 To ensure that deficits do not arise on the Collection Fund;
- 2.12. To review the ongoing impact on the level of funding of liabilities in the Pension Fund, currently 90%, of the credit crunch and recession;
- 2.13. To assess the key financial risks within the Council's budget and make provision for those risks within a contingency fund;
- 2.14 To ensure that the Council complies with the requirements of the Prudential Code of Borrowing;

3. **Key Elements of the Financial Strategy**

3.1 Growth

The Business and Service plans of the authority will result in growth in departmental revenue expenditure of:

	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Departmental Growth	£m 3.236	£m (0.210)	£m 2.610

3.2 Service Pressures

There are cost pressures in all areas but significant ones are:

- Children's Social Care placements and staffing
- Income – Parking Services, Building/Development Control, Adult Social Care
- Education Needs Transport

3.3 Formula Grant

The 2010/11 local government finance settlement was announced on 20th January 2010. This confirmed the allocations announced as part of the current system of three-year settlements on 24 January 2008. As 2010/11 is the final year, and pending a Comprehensive Spending Review 2010, the same level of grant is assumed for 2011/12 and 2012/13:-

	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
Formula Grant	£m 67.733	£m 67.733	£m 67.733

Merton's funding is the minimum available, the floor being set at 1.5% but given the ongoing impact of the recession it is possible that the floor could be set at nil increase or even at a negative figure.

3.4 Dedicated Schools Grant

Estimated Dedicated Schools Grant is as follows:

	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13
	£m	£m	£m
Dedicated Schools Grant	103.925	TBA	TBA

The formula used to determine the Dedicated Schools Grant is under review and a decision on the settlement for 2011/12 is not expected until October/November 2010. Schools are responsible for managing their own budgets and are now funded directly by this Dedicated Schools Grant. They retain school reserves which are earmarked for their own use. Schools reserves in total stood at £5.644m at 31st March 2009. Other reserves set aside for schools total £6.993m.

3.5 Inflation Projections

The MTFS for 2010/11 includes 1.0% for the pay award, 1.5% for general prices and additional amounts for extra inflation provision for those areas of high inflation (e.g. transport, care homes).

3.5.1 Pay:

2009/10 award: The MTFS approved by Council on the 4th March 2009 included 2.0% for the 2009/10 pay award. However, employee budgets for 2009/10 have been reduced by 0.75% to reflect the 1.0% pay award which has been agreed, and the saving (approximately £0.6m) transferred into the contingency. The remaining 0.25% was used to settle the 2008/09 pay award. The ongoing impact of the 2009/10 pay award has been incorporated into the draft MTFS for 2010-13.

2010/11 award: The Trade Union Side of the National Joint Council for Local Government Services has submitted (on 26th October 2009) a pay claim for an increase in 2010/11 of "a £500 flat rate increase or 2.5% - whichever is the greater." On 20th January 2010, the Local Government Employers (LGE) informed the three trade unions (UNISON, GMB and Unite) that they are unable to offer any increase in pay for 2010/11.

For future years, the 2009 Pre-Budget Report announced new efficiencies and reforms across the public sector including a one per cent cap on public sector pay settlements in 2011-12 and 2012-13. It also announced a set of fundamental reforms to pay-setting for senior

staff, aimed at increasing the robustness, transparency and accountability of decision making across the public sector.

3.5.2 Prices: CPI annual inflation, the Government's target measure, was 3.5% in January 2010 (December 2009: 2.9%). There was a record CPI monthly upward movement between December to January, mainly due to the increase in January 2010 in the standard rate of Value Added Tax (VAT) and to a lesser extent, the continued increase in oil prices. The largest upward pressures came from transport with the biggest element of the increase being in fuels and lubricants, but also maintenance and repairs and the cost of new and second hand cars also contributed to the rise. The increase in transport costs was partially offset by reductions in air and sea transport costs.

RPI inflation was 3.7% in January 2010, up from 2.4% in December 2009. The last time RPI grew between December and January was in 1991. The VAT and oil price increases also affected the RPI but by far the largest upward contribution was from increased housing costs. Mortgage interest payments and house depreciation were also significant contributors to the rise. The increase in housing costs was partially offset by a reduction in dwelling insurance premiums.

3.5.3 Outlook for Inflation

The Pre-Budget Report, which the Chancellor of the Exchequer presented in December 2009, forecast that CPI inflation is expected to continue to rise in the short-term due to the reversal of the cut in the VAT rate back to 17.5% in January 2010 and also with fuel prices above the lows of early 2009. Following this, inflation is forecast to fall during 2010 and also in 2011, and move well below the 2% target, as the large negative output gap exerts downward pressure on prices.

HM Treasury have produced the following forecast for CPI and RPI:-

Inflation (Quarter 4)	2008 %	2009 %	2010 %	2011 %	2012 %
CPI	4	2	1.75	1.5	2
RPI	2.75	0.5	2.5	3.5	3.5

Source: Pre-Budget Report December 2009 – HM Treasury

3.5.4 The key issue is to try to accurately predict the inflation trend during 2010/11. In order to do this, an analysis has been undertaken of the HM Treasury Forecasts for the UK economy (January 2010), which offers a comparison of independent forecasts for a range of economic factors, including RPI and CPI.

The forecasts suggest the following inflation rates over the next year or so:-

	Lowest	Highest	Average
2009 (Quarter 4)	%	%	%
- CPI	1.2	2.3	1.8
- RPI	-2.1	0.6	0.0
2010 (Quarter 4)			
- CPI	1.1	3.8	1.8
- RPI	2.0	4.8	2.8

3.6 Interest Rate Projections

3.6.1 The downturn/recession in the world and UK economies, and the liquidity issue in the banking sector, have caused the UK Base Rate to fall to 0.5%. Forecasts suggest rates will in due course rise from this level, but forecasts are mixed in respect of the pace and extent of an increase.

3.6.2 The trend in interest rates is developing faster in the long-term area of the market than in the short-term. The short-term market is restrained by a low Base Rate (0.5%), substantial market liquidity, and the prospect of a faltering or slow economic recovery. It is forecast that the rates available in 2010/11 will range from near 0.2% to 0.5% for overnight to week deposits, and up to 1.5% for one year. This limits the level of interest that can be earned on LBM's invested balances, unless deposits are placed for longer periods.

3.6.3 The longer-term, capital, market is concerned by the prospect of future inflation and the risk of precipitate interest rate increases following from any devaluation of Sterling or downgrading of the UK's or borrower's credit status. This affects long-term borrowing costs and debt redemption prospects. A typical Public Works Loans Board (PWLB) borrowing cost for long-term funds is currently c.4.5%, but this is expected to rise to close to 5% during the year.

3.6.4 Debt Management

Reductions in the Base Rate do not feed through to borrowing cost in the short-term; since virtually all long-term finance is on effectively fixed rates. Against this background of largely fixed debt costs and falling investment returns, the key strategy tool to support the treasury budget is the redemption of debt. This can remove both relatively high debt costs, and in using hitherto invested funds to finance the redemption, reduce the amount of funds under investment and exposed to low and prospectively falling interest rates. However, this strategy requires the

use of capital receipts to finance redemption premiums, and the programme for realising these receipts is delayed, (to an extent because of the deteriorating economic environment). Also, the cost of redeeming debt has risen as interest rates have fallen.

3.6.5 No new long-term borrowing has currently been undertaken. Its prospective cost of up to 4.5% is substantially higher than that available from investment of LBM's cash balances, and so it has been preferable to forego the investment return and use otherwise invested balances to finance capital expenditure. Outstanding long-term debt remains at £155.5m.

3.6.6 LBM's debt is essentially on fixed rate terms, and therefore without any new borrowing or re-financing of debt maturities, debt cost is stable. Movements in Base Rate do not feed through to long-term debt cost in the short-term.

3.6.7 More details are included within the Council's Treasury Management Strategy.

3.7 Available Revenue Reserves

General Fund - The Council's General Fund balance at the 31st March 2009 were £12.040m. This included £1.042m relating to Area Based Grants carried forward. The Council's strategy is to maintain the level of General Fund balance at approximately £10.3m over the period of the MTFS. The extent of any further contributions to and/or from general reserves in 2010/11 and 2011/12 will be considered in the next year's budget process.

3.8 Assessment of Risk and Balances to mitigate risk

3.8.1 The Council's draft budget for 2010/11, as presented in the budget summaries in Appendix 9 of Section 1, 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	84.7
Premises	5.9
Transport	12.3
Supplies and Services	27.1
Third Party Payments	66.2
Transfer Payments	86.9
Support Services	34.6
Depreciation and Impairment Losses	6.7
Cost of Borrowing including Minimum Revenue Provision	24.6
Capitalisation	1.5
Pension Fund	4.9
Contingency	2.5
Other Expenditure	4.8

	£m
Income	
Government Grants	98.7
Other Reimbursements and Contributions	15.4
Customer and Client Receipts	45.8
Recharges	34.8
Reserves	1.3
Investment Income	3.6
Asset Rentals: Depreciation & Impairment	10.4
Other Income	2.9
Total	575.5

3.8.2 In addition, the savings proposals for 2010/11 have been assessed in terms of deliverable risk. The level of deliverable risk is:-

	£000	%
Low	5,759	49.1
Medium	4,570	39.0
High	1,400	11.9
Total	11,738	100.00

3.8.3 In light of the current economic climate the areas to be assessed have been expanded, given the data available in the budget summaries in Appendix 9 ,and the levels of risk have been reassessed. The results are set out in the following table:-

	£m	Min%	Mid%	Max %
Expenditure				
Employees	84.7	0.5	1.0	2.0
Premises	5.9	1.0	2.0	3.0
Transport	12.3	1.0	2.0	3.0
Supplies and Services	27.1	2.0	3.0	4.0
Third Party Payments	66.2	7.5	9.0	12.0
Transfer Payments	86.9	1.0	2.0	3.0
Cost of Borrowing including Minimum Revenue Provision	24.6	1.0	2.0	3.0
Income				
Government Grants	98.7	0.5	1.0	1.5
Other Reimbursements and Contributions	15.4	0.5	1.0	1.5
Customer and Client Receipts	45.8	2.1	2.5	3.3
Savings				
Low deliverability Risk	5.759	1.0		
Medium deliverability Risk	4.579		2.0	
High deliverability Risk	1.400			4.0

* Only those headings that are deemed subject to risk have been included in the above analysis

3.8.4 Applying the risk levels in the table above produces the following level of assessed risk:-

ASSESSED RISK	Min £m	Mid £m	Max £m
Expenditure			
Employees	0.4	0.6	0.8
Premises	0.1	0.1	0.2
Transport	0.2	0.2	0.4
Supplies and Services	0.7	0.8	1.1
Third Party Payments	4.0	5.0	6.0
Transfer Payments	1.3	1.7	2.6
Cost of Borrowing including Minimum Revenue Provision	0.2	0.2	0.4
Income			
Government Grants	0.5	1.0	1.5
Other Reimbursements and Contributions	0.1	0.2	0.2
Customer and Client Receipts	1.0	1.1	1.5
Investment Income	0.1	0.1	0.1
Savings	0.1	0.1	0.1
TOTAL RISK	8.5	11.2	14.8

3.8.5 In order to cover the middle position of risk, the balances strategy set out in paragraph 3.8.6 needs to be maintained, but will be kept under review as circumstances change.

3.8.6 The Council's balances strategy is as set out below:-

	£m
Balance b/f @ 31/3/2009	12.040
Amount relating to Area Based Grant	(1.042)
Balance @ 31/03/09 excluding ABG	10.998
Forecast call on balances 2009/10	(0.735)
Estimated balances c/f 31/3/10	10.263
Forecast Contribution 2010/11	0.0
Estimated balances c/f 31/3/10	10.263

** Assumes capitalisation of approximately £0.300m previously identified as potential call on GF balances.

3.8.7 In addition, the Council has revenue reserves the total of which is set out in the following table:-

	31 March 2009	Net change in 2009/10	Forecast 31 March 2010
	£000	£000	£000
Total Revenue Reserves	39,953	(9,723)	30,230

A more detailed analysis of revenue reserves is provided in Appendix 14.

3.9 It is regarded that the opening level of General Fund reserves of £10.3m at 1st April 2010 will be adequate provision to cover the minimum level of risk. Maintaining the level at £10.3m will then give substantive cover near the middle risk level on current assumptions.

3.10 Assessment of Financial Standing including Funds, Provisions and Reserves

As at 31st March 2009, the Council had £39.9m of fund balances (excluding Pension Fund) and revenue reserves, and £4.9m of capital reserves.

	Balance @ 31/03/2009 £m
General Fund for general use	12,040
Schools Reserves	12,637
Housing Revenue Account	2,932
Collection Fund	3,341
Other Revenue Reserves	9,003
Total	39,953

This level of fund balances and reserves is considered adequate.

Pension Fund – An actuarial review will take place during 2010 and the financial implications of this impact on 2011/12 and beyond. The MTFS will be updated to include an estimate when further details are known.

Collection Fund – The balance on the Collection Fund at 31st March 2009 attributable to Merton was £3.341m (included in the £39.9m fund balances above). Given this level of surplus, a one-off saving of £1.841m has been incorporated into the MTFS in 2010/11

Insurance Fund – At 31st March 2009 the Insurance Fund stood at £5.586m. On current information it is not considered that additional provision is required over the period to 31st March 2011

3.11 Financial Control Process

In order to ensure that budgets are robust, Merton undertakes an equalities impact assessment and also a risk assessment, in relation to its budget proposals and sets aside an appropriate contingency reserve to mitigate against any risks. A key element of maintaining and increasing the level of the Council's reserves, is to ensure that potential overspending is identified and controlled. Merton has a robust financial control process, in which expenditure is monitored monthly by budget managers, considered by Departmental Management teams, Corporate Management Team, Cabinet and scrutinised by the Corporate Capacity Scrutiny Panel. A key element of this regular process, is the identification of management action by officers who are responsible for the management of budgets. This budget management process has been key to the Council's development of its financial reserves.

4. **Forecast Financial Position**

The forecast financial position of Merton over the next 3 years is based on the detailed projections below:

4.1 **Revenue – General Fund**

Assumptions are:

- Pay increases of 1.0% in 2010/11, 2011/12 and 2012/13
- Price increases at 1.5% for each year of the plan period
- Additional inflation provision for those areas of high inflation (e.g. transport, care homes)
- No increases in Formula Grant (i.e. Revenue Support Grant and Business Rates income) for 2011/12 and 2012/13.
- Dedicated Schools Grant - not yet known for 2011/12 and 2012/13

Key inclusions are:

- The setting of a Council Tax decrease of 1.4% for 2010/11 with levels in 2011/12 and 2012/13 still to be determined, 0% has been used to determine the maximum level of savings/additional income to be identified;
- The incorporation in the forecast of the full year effects of savings and growth

Caveats are:

- Negotiations are continuing with the Trade Unions in respect of the pay award @ 1 April 2010.

	Forecast 2010/11 £m	Forecast 2011/12 £m	Forecast 2012/13 £m
Revenue Budget brought forward from previous year	148.452	149.638	149.638
Less: Levies	(0.667)	(0.658)	(0.671)
Revenue Budget brought forward exc. levies	147.785	148.980	148.967
Technical and Corporate adjustments	9.010	12.154	9.663
Savings -full year effects of previous years	(0.731)	0.248	0.000
Growth - full year effects of previous years	1.418	1.475	0.000
Forecast Budget Requirement (inc. Growth and Savings)	157.482	162.857	158.630
Add: Levies	0.658	0.671	0.685
Forecast Budget Requirement	158.140	163.528	159.315
Formula Grant (RSG and Business Rates)	(67.733)	(67.733)	(67.733)
Council Tax (-1.4% in 2010/11 and 0% in 2011/12 and 2012/13)	(81.905)	(81.905)	(81.905)
Total Resources	(149.638)	(149.638)	(149.638)
Revised Gap (before savings/income and growth and any Council Tax increase)	8.502	13.890	9.677
Savings/Income proposals 2010/11	(11.738)	0.035	(0.167)
Growth proposals 2010/11	3.236	(0.210)	2.610
Revised Gap (after savings/income and growth)	0.000	13.715	12.120

A number of options available to the Council to identify the savings and additional income required in future years are being considered including:-

- the identification of efficiency savings (3% cashable savings equates to approximately £4m p.a.), along with any investment required;
- additional income arising from a review of existing income from fees and charges and identification of new sources of income;

- value for money reviews. A specific programme of value for money reviews will be brought forward to Cabinet at the start of the new financial year;
- Council Tax increase

The savings and growth have been analysed into income, changes in legislation, implications for front line services, savings efficiencies relating to people, process, procurement/contracts and property matters, and growth relating to people, process, procurement/contracts and property matters. This is summarised in Appendix 10.

4.3 Local Area Agreements

4.3.1 LAA PRG 2007-10

LAA stretch targets for enhanced performance were agreed between the Merton Partnership and Government as part of Merton's first LAA which was completed in 2007. These targets were honoured by Government for the revised 2008-11 LAA and include receipt of Performance Reward Grant (PRG) of up to £5.5 million on their achievement at the end of the 2007-10 LAA period. In a report to the Merton Partnership Executive Board (MEPB) on LAA PRG (26 November 2009), the predicted award for PRG is £3.1m out of a possible total of £5.5m. This is based on forecasts for stretch target achievement based on performance data at the time of the MEPB report in November. At the time of this report no further forecasts have been carried out. The MEPB report also includes a 'best case scenario' estimate which shows that a further £0.530m could be achieved, bringing the total PRG to £3.6m. In this estimate, £1.9m of PRG is not achievable; this is either because annual targets have not been met or because cumulative performance has been sufficiently below target to mean that there is no likelihood of any PRG being awarded.

PRG is paid in two equal instalments. Merton will submit an initial claim in 2010/2011 and the second in 2011/2012. It is paid as half capital, half revenue, with no other restrictions on how the money is used. The grant can be carried forward and there is no final date by which the money must be spent.

Current guidance states that payment of the first instalment will be paid within two months of the local authority submitting the claim. Therefore a probable date for receipt is mid-February 2011 and the DCLG guidance states that payments should be made before 31 March as long as the claim is in order. The second instalment is payable the following year.

A further report to MEPB (28 January 2010) proposed a protocol for the distribution and management of PRG; this was approved by the Executive Board.

4.3.4 Area Based Grant (ABG)

The current allocations for ABG for 2010/11 compared to those originally advised in CSR07 are shown below

	2008/09	2009/10	2010/11
CSR07	£7.004m	£7.348m	£10.468m
Nov 2008	£7.253m	£7.456m	£10.576m
Difference	£0.249m	£0.108m	£0.108m

Note: the original CSR07 settlement for 2009/10 ABG was for £10.733m as it included £3.385m for the Supporting People programme. This was removed from the ABG in November 2008 and the inclusion of Supporting People in ABG was postponed until 2010/11. The 2010/11 figure includes £3.385m for the Supporting People programme.

5. **Merton Council Plans and Strategies**

5.1 Community Plan

5.1.1 A key driver to Merton's progress is the Community Plan. The Plan has been produced by the Merton Partnership, a partnership of all the key agencies in the borough, in consultation with the local community and therefore reflects priorities which are wider than just those of the Council. Merton's Community Plan 2006-2015 has been realigned around the Corporate Assessment themes. It is a 10 year Plan that aims to improve the quality of life in the area for 2015. Central to the Plan is the overall vision and a framework of principles that underpin the way in which the specific outcomes will be achieved. These principles celebrate and build on the diverse social, economic and environmental characteristics of the borough and are aimed at securing a sustainable future for those who live, work or study here.

5.1.2 The Plan directs the future actions of all the partners which sign up to it, and the outcomes to be achieved will be reflected in the shorter term plans which are prepared by all these agencies over the next few years. Thus the Community Plan is the "Plan of Plans" for the local area. It is one of the best ways of ensuring that communities become safer, stronger, prosperous and more sustainable.

5.1.3 The Merton Partnership is responsible for overseeing and developing the plan. The Partnership is a multi-agency partnership of local stakeholders.

5.2 Business Plan

5.2.1 The council's Business Plan sets out the key improvement priorities for

the next three years, based on the council's six priority themes:

- Sustainable Communities;
- Safer and Stronger Communities;
- Healthier Communities;
- Older People;
- Children and Young People; and
- Corporate Capacity.

5.2.2 The plan is a rolling three-year plan, which is refreshed annually. The refresh process ensures that the plan remains up to date and in line with residents' needs, political priorities, and available resources.

5.2.3 The Business Plan is developed in conjunction with the annual budget process, so that priorities and their associated targets and the resources available are planned together. This ensures that the priorities, actions and targets set out in the plan are achievable and realistic. In March 2009, Council agreed the Business Plan 2009-12, which refreshed the Business Plan 2008-2011.

5.2.4 For 2010-2013, Members considered the Business Plan proposals in two stages, outlined below:

- Stage 1: Departments submit proposed priorities, planned outcomes and performance measures
- Stage 2: Departments submit proposed targets over a three year period

5.2.5 The Business Plan consists of a series of priorities, planned outcomes, performance measures and annual targets for the period 2010-2012.

5.2.6 The proposals have been arrived at through consultation with the council along with local residents, businesses and partnership organisations. Within the council departments, directors and Cabinet Members are consulted, and the proposals also go through the scrutiny process. It is essentially an improvement plan reflecting both local and national priorities for improvement.

5.2.7 The business planning process has taken place in tandem with the budget planning process to ensure we have a set of affordable and achievable targets. Targets are therefore identified as being either achievable within the current budget or, if additional funding is required, where this is to come from, i.e. from a capital bid or from an external funding source.

5.3 Service Plans 2010-2013

5.3.1 The Service Plans itemise the budgets for each Council department. The revenue budgets include growth and savings which have been fully scrutinised during the budget process. Budget growth and savings are part of an integrated service planning process which starts early in

each year in order to avoid last minute problems and are part of an ongoing process.

5.4 Capital Strategy and Programme for 2010-2013

5.4.1 Merton's strategy for its capital investment and capital funding is set out in full in the Capital Strategy for 2010-2013. It is aligned and integrated with the new Business Plan for the period 2010-2013 which has been structured around six strategic themes as set out in paragraph 5.2.1

5.4.2 These themes are structured around the Audit Commission's Corporate Assessment themes and are derived from the shared priorities agreed between central and local government, shaped to drive improvement in local government and partnership working.

5.4.3 The revenue effects of the Capital Programme are incorporated into the revenue budget.

	2010/11 £m	2011/12 £m	2012/13 £m
Revenue effects of 2010-13 Capital Programme			
- Budget	21,004	23,504	26,004
- Forecast	19,970	23,039	26,036
- Surplus/(Deficit) funding	1,034	465	(32)

5.4.4 The Business Plan and the financial plans, such as the revenue budget and capital strategy are properly co-ordinated and fully integrated.

5.4.5 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 work closely with residents, community organisations and businesses to focus our resources and those of our partners effectively. The strategy 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. In the Capital Strategy, clear linkages are identified with the Business Plan and 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 Housing Strategy, Local Implementation Plan (Transport), and Asset Management Plans. Priorities for the Corporate Services and Chief Executive's departments are based around how the Council manages its resources effectively and how it carries out its wider community leadership role.

5.4.6 Priorities and Objectives for Capital Investment in Key Areas

Service Strategies

Each service within the Council has a key role to play in supporting the overall vision. Within each of the strategic objectives key priorities are identified and these link into departmental service plans. Central Government arrangements for resource bidding and allocation (e.g. Housing Strategy, Transport Strategy and Schools Asset Management Plan) have influenced capital investment strategies within those services. The Council's Capital Strategy brings together the departmental approach to bidding and supports its holistic approach to investment and provides the framework for resource allocation. The Council's strategy for bidding for additional resources is that the schemes must be consistent with our strategic objectives.

All Capital Expenditure bids are assessed using prioritisation criteria.

5.4.7 An allocation of capital resources totalling £53.8m has been agreed for 2010/11. This includes a programme of projects which are funded by resources which have been earmarked for specific work programmes. There are a host of other projects which require funding and these will be prioritised and funded as capital resources are identified and generated from the Asset Management Review.

5.4.8 Key Features of the funding of the capital programme are:

- funding of the programme from supported capital borrowing, unsupported borrowing (under the Prudential Code) capital receipts, grants and other contributions;
- earmarked funding from the government towards specific projects to be maximised as far as possible and wherever it is consistent with Council priorities;
- supported borrowing via the Prudential Code to be utilised to enable capital receipts to support the debt management strategy;
- the use of asset disposals identified via the ongoing Asset Management Review to continue to be used to finance new capital projects and debt redemption where financially prudent.

3 Year Forecast:

-----Capital Resources-----			
	2010/11	2011/12	2012/13
	£m	£m	£m
Earmarked Funding	14.4	3.3	2.9
Capital Receipts	0	0	0

Revenue Contribution	2.0	1.0	0.5
General Fund Borrowing	36.9	37.8	35.9
Net slippage	0.5	(0.1)	(0.3)
Total Capital Resources	53.8	42.0	39.0

5.5 Treasury Management Strategy

5.5.1 Merton's strategy for its borrowing and investment is set out in full in the *Treasury Management Strategy for 2010-2013*. The Treasury Strategy describes how it is planned to finance the Authority's expenditure at least cost, by appropriate usage of borrowing, leasing and invested balances.

5.5.2 Treasury performance in 2007/08 produced an overall better than budget performance. In 2008/09, with its tight credit risk strategy, the Council was not been affected by the defaults experienced to date by other Local Authorities and, despite the economic turmoil and dramatic interest rate cuts, Treasury performance is forecast to meet the budget.

5.5.3 The budgets for Treasury Performance over the three-year period 2010-2013 reflect current and predicted interest rate reductions. However, with the continuing need for a very cautious attitude to credit risk, in 2010/11 in particular, it will be challenging to attain the investment returns required to meet the budget. This challenge is being addressed with the use of fixed rate deposits and a small amount of debt redemption. With these measures it is forecast that the Treasury Performance will meet the budget requirements.

5.6 Asset Management Strategy

5.6.1 The Council implements an asset management review programme that assesses 20% of its operational buildings annually. The objective of the ongoing review is to challenge whether the property represents value for money to the authority.

5.6.2 This process has been supplemented with a comprehensive high level strategic review of all operational property (with the exception of parks and open spaces, which was the subject of a separate review). The purpose of this strategic review was to sift the operational portfolio to identify those which were performing poorly in terms of a range of corporate criteria, and service related suitability criteria, and to identify opportunities for rationalisation and improvement. This stage 1 review has now been completed, in parallel with a revised assessment of the value of the Council's non-operational portfolio.

5.6.3 The next stage of this review has been to assess the short, medium and longer term properties in more detail to establish a revised disposals programme, and to feed into the Capital Programme where there is investment need. This process will continue to be progressed

during the course of 2010/11, with a view to implementing changes to the portfolio during this plan period and beyond. The review has identified a range of future development and disposal opportunities that effectively provide a strategy for change and improvement to the Council's operational estate up to and beyond 2014/15.

5.6.4 The non-operational portfolio currently plays a significant part in supporting the Council's revenue budget. Income producing property is only retained where the return on capital employed justifies its value for money, or where it is required for Council development eg regeneration.

5.6.5 The outcomes of the overall property review process feed into the asset management decision making processes. This demonstrates how the Council ensures that its operational estate both improves over time and contributes to the achievement of wider corporate and service objectives.

5.6.6 In parallel with the above review process, the Council is also progressing its programme of ward based reviews, which explore Council and other public sector assets on an area basis, to explore opportunities for these to contribute better to the delivery of the Council's broader community agenda.

5.7 Procurement Strategy

In alignment with the national procurement strategy the council has identified key themes to be explored:

- Stimulating markets and achieving community benefits.
- Doing business electronically.
- Partnering and collaboration.
- Cultural shift.
- Leadership.
- Capacity building.

The Procurement Strategy is a plan that facilitates and improves procurement throughout the council.

The strategy provides a framework to which all procurement activities by the council are to be effectively managed. Procurement activities are co-ordinated through a Procurement Board and Forum group. The groups provide a platform to develop the objectives of Procurement and support the delivery of the Procurement Strategy across the councils.

The Procurement Strategy is being reviewed to incorporate policy objectives, departmental service delivery plans and the Sustainable Community Strategy. The Performance Management Framework is supporting the Procurement agenda within service planning.

The activities of officers in entering into contracts are regulated by the Council's Contracts Standing Orders which are due to be reviewed during 2010. Both the Contract Standing Orders and the Financial Regulations form part of the constitution, and reflect the transfer of day-to-day management responsibility in the implementation of the Council's strategies, and exercise of its functions, from elected members to officers. The Procurement Toolkit is available through the Council's Intranet, to assist officers, to follow good practice in relation to Procurement.

Implementation of an E-procurement system Alito and Proactis - purchase to pay, both took place in spring 2007. The roll out of both across the Council will continue throughout 2010/11 with a training programme designed to disseminate best practice across the council. Both of these systems will enhance control and improve procurement across the authority. The Council has also promoted and is actively using Purchasing Cards to ease and reduce the costs of standard low cost purchases.

Procurement is a key element in the Council's prime objective of providing services under the banner fitter, faster, focused to local users. The Council's Procurement arrangements are already making a considerable difference to the way we work, get value for money and respond to the needs of local users. Procurement will continue to ensure that whatever resources we use will provide value for money, within the framework of best value and continuous improvement. This will ensure that we maximise the use of resources in the achievement of strategic objectives set out in the Business Plan, Sustainable Community Strategy and LAA.

The Government has set new challenges each year to meet ongoing savings targets of three percent. A new approach to Procurement is a key ingredient in the council meeting these Government targets. The Procurement Strategy will provide the framework for achieving the efficiencies required within the context of maintaining a capacity, which enables the council to be more efficient and effective with its resources.

The council endeavors to provide new and innovative ways of delivering services and acknowledges the significance of partnerships and achieving best value. The creation of sustainable partnerships enables the council and its suppliers to deliver a value added service to its users.

The Procurement Strategy and operational tools will embrace the principles of how we achieve value for money whilst delivering a better service to our users. Ongoing collaborative arrangements with the Police, PCT, Merton College, Schools and other local councils are still a priority in enabling us to achieve substantial efficiency savings.

The council is continuing to increase its relationship with the voluntary and community sector in Merton and with local SME's. Funding for specific projects has been earmarked throughout the 2010/11 financial year increasing the possibility of working further with the voluntary sector. The Council's Procurement Strategy and Selling to the Council Guide continues to provide opportunities to increase the extent to which both the voluntary and community sector in Merton and local SME's supply goods and services to it.

5.8 Human Resource Strategy - Workforce Development

5.8.1 The aim of workforce planning is to:

- Embed a culture of workforce planning within the Council to help meet CAA Key Lines of Enquiry (KLOE) (in particular 3.3), Equality Standards, Scrutiny Review and statutory reporting requirements (e.g. Audit Commission)
- Work with wider service providers across the locality to ensure a partnership approach to workforce development planning and joint outcomes through partnership
- Provide Line Managers with relevant and reader friendly workforce data and a toolkit to help them both recruit and retain competent and motivated staff and to plan and achieve the service plans of their respective business units
- Help line managers manage their budgets via the new absence, establishment, recruitment and learning and development data reports
- Support Heads of Service, section managers, Human Resources teams and corporate / directorate working groups on such issues as equalities, learning and development, Investors in People (IiP) and workforce planning
- Develop a consistent and corporate approach to planning the workforce need during the next 1/3/5 years

5.8.2 The Workforce Development Plan 2007-2012 is Merton Council's third Workforce Development Plan and each year has seen a refined and improved process, so that workforce planning has been embedded as an essential aspect of the business planning process. Without forward planning and forecasting its workforce needs the council would not be able to achieve the aim of providing excellent services for the residents of Merton.

5.9 Information Technology (IT) Strategy

5.9.1 The IT strategy is linked to the council's forward business and service plans through key objectives.

5.9.2 The objectives define the direction of IT in the council for the three year period.

5.9.3 The strategy is built up from input from the business and IT. Thus the forward direction of the IT strategy is closely linked to our forward business plans. The strategy is delivered as part of an Effective Merton project.

5.9.4 A capital budget plan is in development to match the projects that are identified in the strategy. It will be necessary to prepare a VFM and a business case for each project before starting work. Each project will need an approval from the departmental director to confirm:-

- that the project should go ahead;
- there is revenue to support ongoing expenditure;
- and
- that we will get the benefits.

5.9.5 The Capital Programme 2010-2013 currently includes investment in IT of:

	2010/11 £000	2011/12 £000	2012/13 £000
Total	3,173	3,089	2,620

5.9.6 Examples of significant benefits obtained from the above IT investment are:

- the introduction of systems that support a customer centric approach
- supporting social inclusion by maximising access to IT resources
- supporting the HR strategy that optimises our staff resources for our customers
- supporting the accommodation strategy through mobile and home working thereby optimizing accommodation value for money for Council tax payers and users, along with improved service provision
- Supporting the transformation programme delivery.

5.10 Performance management

5.10.1 A key element of the performance management framework is the 'golden thread' which links the various plans that the Council produce. It shows how budgetary and workforce planning feed into the business planning process. It also shows how each member of staff contributes to their team and departmental service plans and ultimately to the council's overall priorities for improvement as laid out in this Business Plan. It also shows how the work of the council feeds into the Community Plan, which has been developed by the Merton Partnership. The priorities in the Business Plan are the key ways in

which the council will be making our contribution to achieving the priorities laid out in the Community Plan.

5.10.2 The priorities and targets set in this Business Plan were agreed after considering the expected budget and staffing resources of each department. This ensures that the targets, whilst challenging, can realistically be met. The targets will be reviewed in 2010/11 and 2011/12, alongside the Medium Term Financial Strategy and workforce development plan, as part of the budget setting process. This will ensure that any changes in resources are reflected in the Plan and that it continues to reflect our priorities as they change over time.

5.11 Efficiency Targets

5.11.1 The 2007 Comprehensive Spending Review set the public sector a challenging target: to achieve three per cent annual cash releasing efficiencies between 2008 and 2011. In 2009 this target was increased to 10.5% over the three years. While there are no mandatory targets for individual authorities, each council will be required to report their progress through National Indicator 179, part of the National Indicator Set, and where there is evidence of underperformance, this will be followed up by the local Government Office.

- The Council has set itself challenging internal targets and aims to achieve further cashable annual efficiency savings of 4% per annum over the period of the MTFS, in excess of the Government target and recognizing the importance of the agenda in Merton.
- Progress against our efficiency targets is monitored on a regular basis by the Corporate Management Team and Cabinet, and reported to Government via National Indicator 179, in 2008/09 we reported savings of £4.9m (4%).
- The council has recently embarked on its transformation programme as the main vehicle for delivering these efficiencies. The aim of this programme of work is to:
 - transform the council into a leaner, more responsive organisation;
 - release resources to improve service delivery and the customer experience;
 - provide more efficient services enabling us to keep down Council Tax;
 - meet our business plan targets for making efficiency savings of 4% each year between 2009 and 2012; and
 - ensure that we balance our budget within an increasingly difficult financial climate and reductions in public sector funding.

SECTION 4

- Key to this is changing the way we do business, particularly through modernised back office functions, to ensure that we can secure our essential front line services and continue to provide good customer service within reducing resources.
- The Merton transformation programme will provide a strategic and transformational approach to our efficiency work looking at issues across the whole council to ensure that decisions are made that are sustainable in the longer term.

There are three main themes to this work

- 1) Shaping a target (future) operating model for the council and implementing this. Work is ongoing in all areas of the council to determine how our target operating model for each service will look, and as part of this we have already started to review how we provide our corporate support services (finance, IT etc) and explore opportunities for joint working with other boroughs in a number of areas.
- 2) Transforming the way we procure goods and services to ensure that we maximise the best values from our contracts. This work has delivered £800k savings for 2010/11 and a programme of work is in place to review all our major contracts.
- 3) Carrying out a programme of Lean reviews across the council to identify waste and make our services more efficient. We started our first Lean reviews in January 2010, looking at improving processes in revenues and benefits, adult social care, fostering and adoption and waste services in order to provide better services or our customers.

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Committee: Council

Date: 3 March 2010

Agenda item: 5

Wards: All

Subject: Business Plan 2010-13

Lead officer: Chris Pope, Director of Transformation

Lead member: Councillor Samantha George, Deputy Leader and Cabinet Member for Change Management and Performance

Forward Plan reference number: 892

Contact officer: Ben Harris, Interim Head of Policy, Partnership and Communities ext. 4632

Recommendations:

- A. That Council agree the Business Plan 2010-13 as part of the budget and policy framework, including the text and the package of priorities, planned outcomes, performance measures and targets that together will form the published version of the Plan.
 - B. That Council agree to delegate to the Chief Executive, in consultation with the Leader of the Council, the authority to amend the Business Plan 2010-13 should this be required.
-

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 On 22 February 2010, Cabinet considered the draft business plan package and content, and recommended it to Council for approval.
- 1.2 This report presents to Council the proposed Business Plan 2010-13 including the package of priorities, planned outcomes, performance measures and targets, and related text.

2. DETAILS

- 2.1 The Council's Business Plan sets out the key improvement priorities for the next three years, based on the council's priority themes.
- 2.2 The Business plan is a rolling three-year plan, which is refreshed annually. Therefore, the proposed Business plan 2010-13 refreshes the Business Plan 2009-12, agreed by Council on 4 March 2009. The refresh process ensures that the plan remains up to date and in line with residents' needs, political priorities, and available resource.
- 2.3 The Business Plan is planned and developed in conjunction with the budget, to ensure that priorities and resources are aligned, and that performance targets are challenging, yet realistic.

- 2.4 The final package of priorities, planned outcomes, performance measures and targets has been arrived at through consultation with departments, between directors and Cabinet members and through the scrutiny process. The table of priorities, planned outcomes, performance measures and targets is attached at Appendix I.
- 2.5 The text of the business plan 2009-12 has also been updated for 2010-13. Whilst the structure of the plan has been rolled forward, the content has been updated to reflect the current context and priorities. Financial information is either indicative or has been left blank. This will be completed based on the budget following agreement by Council. Some references to page numbers have also been left blank as these will change in the design process. The text is attached at Appendix 2.

3 ALTERNATIVE OPTIONS

- 3.1 The information contained within this report is part of a structured business planning process, integrated with the budget timetable. It must be considered by Council in order to adhere to the corporate timetable.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1 The following consultation activity has been undertaken:
- All departments have been fully involved in the development of the Business Plan throughout. In developing their proposals for priorities, planned outcomes, performance measures and targets, departments have consulted with Cabinet members, staff, partners and any relevant service user groups;
 - Cabinet members were consulted on 12 October 2009, 14 December 2009 and 22 February 2010; and
 - Scrutiny panels and the Overview and Scrutiny Commission considered the proposals in February 2010.

5 TIMETABLE

- 5.1 An integrated timetable for business planning and the budget has been developed.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1 The financial, resource and property implications of proposed new priorities, planned outcomes and targets have been considered throughout the process. The Business Plan proposals are developed in parallel with those of the budget.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1 None.

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 The human rights, equalities and community cohesion implications of the proposals for 2010-13 have been considered as part of the process of development of the proposals.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 The crime and disorder implications of the proposals for 2010-13 have been considered as part of the process of the development of the proposals.

10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1 The risk management implications of the proposals for 2010-13 have been considered as part of the process of the development of the proposals.

11. APPENDICES – the following documents are to be published with this report and form part of the report

- 11.1 APPENDIX 1: Business Plan tables 2010-13.

- 11.2 APPENDIX 2: Business Plan text 2010-13.

11.3 Background papers

- 11.4 The Business Plan 2009-12.

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Priorities, outcomes, measures and targets – Appendix 1

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	10/11 Target	11/12 Target	12/13 Target	Lead department	Comments	
Improve public safety	Increase the level of public assurance that neighbourhoods are safe	Perceptions of anti-social behaviour (percentage of residents who are worried or fairly worried about anti-social behaviour)	59% (Annual Residents' Survey)	58%	58%	57%	Environment & Regeneration	Mission for Merton indicator LAA Target (local)	
		Percentage of residents who are worried or fairly worried about crime	59% (Annual Residents' Survey)	57%	57%	56%	Environment & Regeneration	Mission for Merton indicator LAA Target (local)	

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	10/11 Target	11/12 Target	12/13 Target	Lead department	Comments	
		Perceptions of drunk or rowdy behaviour as a problem (percentage of residents who are worried or fairly worried about drunk and rowdy behaviour in their area)	47% (Annual Residents' Survey)	45%	44%	43%	Environment & Regeneration	Mission for Merton indicator LAA Target (local) National Indicator 41	
		Dealing with local concerns about anti-social behaviour and crime issues by the local council and police	37.3%	42%	N/a (No survey)	To be reviewed in light of expected related change in the law	Environment & Regeneration	National Indicator 21 LAA designated indicator	

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	10/11 Target	11/12 Target	12/13 Target	Lead department	Comments	
	Reduce the occurrence and effects of drug use	Drug users in effective treatment	408 (2007/08)	432 individuals	National drug strategy due for renewal in 2011. target to be reviewed following this.	TBC by Safer Merton Partnership	Environment & Regeneration	LAA Target (designated) National Indicator 40	
Develop the council's local leadership role and the capacity of the community and voluntary sector	The LSP delivers against stated outcomes in the LAA	Percentage of 2007 LAA reward grant achieved (stretch targets)	63% (2008/09)	80%	LAA stretch element complete	LAA stretch element complete	Chief Executive's		
	Ensure that people who live, work and learn in Merton feel that the council treats them fairly	Standard for the New Equality Framework for Local Government	New measure – baseline to be set	90%	90%	90%	Chief Executive's		

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	10/11 Target	11/12 Target	12/13 Target	Lead department	Comments	
		Percentage of staff who believe that the council actively promotes equality of opportunity and values diversity	74% (2008 staff survey)	80%	N/A (no survey)	82%	Corporate Services		
		Percentage of residents who agree that the council is an authority which treats people in a fair and non-discriminatory way	54% (Annual Residents' Survey 2009/10)	65%	68%	70%	Chief Executive's		
	Developing strong and positive relationships between people from different backgrounds	Percentage of people who believe people from different backgrounds get on well together in their local area	82% (Annual Residents' Survey 2009/10)	86%	86.5%	87%	Chief Executive's	Mission for Merton indicator	

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	10/11 Target	11/12 Target	12/13 Target	Lead department	Comments	
		Percentage of residents who agree that Merton council is a council that tackles racism	38% (Annual Residents' Survey 2009/10)	44%	45%	46%	Chief Executive's	Mission for Merton indicator	
		Score against the National Indicator 'building resilience to violent extremism'	8.5 out of 20 (2008/09)	14 out of 20	16 out of 20	18 out of 20	Chief Executive's	National Indicator 35	
	The council contributes to the development of a thriving third sector in Merton	Environment for a thriving third sector	14.4% (2008/09)	19.4%	N/A (no survey)	24.4%	Chief Executive's	National Indicator 7	
Increase public involvement in the democratic process in line with the new governance	Increase public interest and involvement in the scrutiny process	Number of members of the public involved in the work of overview and scrutiny	954 (2008/09)	1000	1100	1200	Chief Executive's		

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	10/11 Target	11/12 Target	12/13 Target	Lead department	Comments	
arrangements from the local government and public involvement in health act 2007	Improve the quality of scrutiny work	Percentage of councillors who agree that the scrutiny function is effective (local survey)	61% (2007/08 survey) 80% (2008/09 survey)	70%	75%	80%	Chief Executive's		
	Development opportunities and support given to councillors as representatives of their local wards	Percentage of councillors with an agreed personal development plan	55% (quarter 2, 2008/09)	20%	50%	67%	Corporate Services		
		Percentage of councillors who have attended development sessions	76.67% (quarter 2, 2008/09)	30%	35%	75%	Corporate Services		

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	10/11 Target	11/12 Target	12/13 Target	Lead department	Comments	
		Percentage of councillors who agree their learning and development is good in terms of relevance, convenience and quality	New measure so no baseline	60%	70%	80%	Corporate Services		
	Increase effectiveness of community forums	Average number of attendees per community forum	24.80 (2008/09)	34	40	44	Chief Executive's	Mission for Merton indicator	
	Residents feel that the council listens and involves them in decision making	Percentage of residents who feel that the council involves residents when making decisions	50% (Annual Residents' Survey 2009/10)	54%	55%	56%	Chief Executive's	Mission for Merton indicator	

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	10/11 Target	11/12 Target	12/13 Target	Lead department	Comments	
		Percentage of residents who feel that the council listens to residents' concerns	57% (Annual Residents' Survey 2009/10)	61%	62%	63%	Chief Executive's	Mission for Merton Indicator	
	Residents feel informed and understand the work of the council	Percentage of residents who feel that the council keeps residents informed about what they are doing	74% (Annual Residents' Survey 2009/10)	78%	80%	82%	Chief Executive's	Mission for Merton Indicator	

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
Better meet the housing needs of Merton's	Increasing the supply of affordable housing	Number of affordable homes delivered (gross)	352 (2008/09)	105	105	105	Community and Housing	

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
residents and communities	Support vulnerable people and prevent homelessness, wherever possible	Average number of families in B&B accommodation	0 (2008/09)	No more than 4 families at any one time	No more than 4 families at any one time	No more than 4 families at any one time	Community and Housing		
		The average length of stay of families in B&B	0 weeks (2008/09)	Average stay not to exceed 1 week	Average stay not to exceed 1 week	Average stay not to exceed 1 week	Community and Housing		
		Number of households living in temporary accommodation	70 (2008/09)	87	87	87	Community and Housing	National Indicator 156	
Ensure that Merton's residents have access to high quality learning opportunities and information provision within the community	Develop and implement an adult education strategy to meet the aspirations of the community, within the context of Learning and	Meet the LSC targets for learners on accredited courses	1,473 learners (2008/09 Academic Year)	1,396 (academic year)	1,396	1,396	Community and Housing	Mission for Merton indicator	
		Meet the LSC targets for learners on non-accredited courses	4161 learners (2008/09 Academic Year)	3,782 (academic year)	3,782	3,782	Community and Housing		

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	Skills Council (LSC) priorities and resources available	The 'success rate' i.e. % of achievers against starters	78% (2008/09 Academic Year)	76% (academic year)	76%	76%	Community and Housing	Mission for Merton indicator	
		Number of visitors accessing the library service online	44,333 (2008/09 Academic Year)	49,890	54,880	57,624	Community and Housing		

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	Increase the reach of the library service within the community	Number of people accessing the library service by borrowing an item or using a People's Network (PN) terminal at least once in the previous 12 months	51,211 (October 2009)	45,255	47,518	49,894	Community and Housing		
	Local people benefiting from the London 2012 Olympics and Paralympics Games	Number of partner organisations supported	5	9	12	15	Environment and Regeneration		

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
	Better quality of built environment relating to both existing and new development	Progress in implementing Local Development Framework (LDF), Area Action Plans and supplementary planning guidance	The Core Strategy and Joint Waste DPD of the LDF are being prepared.	Core Strategy and Joint Waste DPD Public Inquiries take place. Morden Area Action plan is prepared and consulted on.	Public Inquiries take place in Morden Area Action Plan) May 2011 – adopt Core Strategy (if passes public examination).	Development management guidance is prepared and consulted on	Environment and Regeneration	
	Improve the management of the local environment	The combined percentage of sites surveyed which are below standard for litter and detritus	28% (2009-10 Q2)	26%	24%	22%	Environment and Regeneration	New performance measure

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
		The number of fly tips reported in streets and parks	2009-10 estimate is 4000	3750	3500	3000	Environment and Regeneration	Mission for Merton indicator	
	Improve residents' perception of public realm services	Proportion of residents surveyed who are satisfied with street cleaning	50%	66%	68%	70%	Environment and Regeneration	Measured by Annual Residents' Survey	
		Proportion of residents surveyed who are satisfied with refuse collection	69%	72%	74%	76%	Environment and Regeneration	Measured by Annual Residents' Survey	
		Proportion of residents surveyed who are satisfied with parks and open spaces	68%	68%	72%	73%	Environment and Regeneration	Measured by Annual Residents' Survey	

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	Improve the street scene in Mitcham, Morden and Wimbledon town centres	Progress made in implementing public realm improvement schemes in the 3 town centres	Strategy being prepared	1. Complete enhancements in Wimbledon Town Centre 2. Commence enhancements in Morden town centre	Complete enhancements in Morden town centre	To be decided	Environment and Regeneration		
	Protect and improve our parks and open spaces	Number of additional green flag awards	2 (September 2008)	4	5	6	Environment and Regeneration		
		The percentage of sites surveyed in the 20 parks most affected by graffiti, with a low incidence of graffiti	Dependent on surveys which will be taking place shortly	95%	95%	95%	Environment and Regeneration		

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
		Net change in hectares of Merton owned open space accessible to the public	317 hectares	319 hectares	320 hectares	320 hectares	Environment and Regeneration	
Ensure that Merton's residents have access to job opportunities and thriving town centres	Facilitate the creation of new jobs and business especially in the eastern wards	Percentage occupancy in incubator unit	52 % (Sept 2009)	80%	80%	80% (dependent on this unit being retained by the council)	Environment and Regeneration	
	Redevelop and revitalise Mitcham and Morden town centres	Work with partners and relevant stakeholders to regenerate Mitcham town centre	Complementary programme delivered – Morrisons open, Lidl open	Work to secure planning applications for redevelopment of sites ensuring public consultation	Further work underway leading to greater footfall for retail, higher quality public realm and higher quality developments	Further work underway leading to greater footfall for retail, higher quality public realm and higher quality developments	Environment and Regeneration	

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
		Work with partners and relevant stakeholders to identify regeneration potential in Morden	Development and consultation on vision and programme for two year initiatives of enhancements	Commercial viability completed and AAP progressed	Two year initiatives programme complete which contributes to greater footfall	Dependent on Public enquiry report	Environment and Regeneration	
	Improve the quality of cultural and community facilities in Wimbledon	Number of days let by the New Wimbledon Theatre at a discounted rate to the community	New measure	10 days	12 days	15 days	Environment and Regeneration	
Develop and implement a holistic approach to environmental sustainability	Reduce energy use and carbon dioxide emissions	Per capita reduction in CO2 emissions	1.7% (based upon 2005 emissions figures)	11% (based upon 2005 emissions figure)	Target to be set dependent on 2010/11 result	Target to be set dependent on 2011/12 result	Environment and Regeneration	National Indicator 186 LAA Target (Designated)

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
including waste management		Annual amount of CO2 emissions from five of the council's operational buildings (civic centre, Russel Road, Worsfold House, Morden Park House and Gifford House)	2013.50 tonnes	1,800 tonnes	1,700 tonnes	1,700 tonnes	Corporate Services	
	Improve the sustainability of the transport system	The number of schools with school travel plans that attain a Sustainable accreditation through the STAR scheme	31	34	37	41	Environment and Regeneration	
	Minimise waste and increase levels of recycling	Percentage of household waste recycled and composted	33% (year to date 2009/10)	35%	37%	40%	Environment and Regeneration	

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	and composting	Municipal waste landfilled	68.73% (Sept 2009)	66%	63%	61%	Environment and Regeneration	Mission for Merton indicator National Indicator 193	
		Residual household waste per household	296 kgs (April –Sept 2008)	617 kg	608 kgs	600kgs	Environment and Regeneration	LAA Target (designated) National Indicator 191	

Healthier communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	Facilitate an increase in the amount of competitive sport	The number of young people involved in sport as a result of inter-borough competitions	630	750	800	850	Environment and Regeneration		
		Obesity among primary school age children in Reception Year	10.9%	13.6% (academic year)	TBC, with Sutton and Merton NHS	TBC, with Sutton and Merton NHS	Children, Schools and Families	Cohort: 1500-2000 National Indicator 55 LAA Target (designated)	
		Obesity among primary school age children in Year 6	21.3%	19.9% (academic year)	TBC, with Sutton and Merton NHS	TBC, with Sutton and Merton NHS	Children, Schools and Families	New measure Cohort: 1500-2000 National Indicator 56	

Healthier communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
		Percentage of schools achieving healthy schools award	87%	90%	93%	98%	Children, Schools and Families	Cohort: 54	
	Improve health and well being of young people leaving public care	Average percentage of children looked after for at least 12 months who had their teeth checked by a dentist and an annual health assessment during the 12 months	83%	87%	87%	90%	Children, Schools and Families		
	Reduction in the level of mental health issues affecting children and young people fulfilling their life potential	Progress towards a comprehensive CAMHS service (score in self-assessment check-list)	15 out of 16	16 out of 16	16 out of 16	16 out of 16	Children, Schools and Families	National Indicator 51	

Healthier communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
Promoting healthy lifestyles and choices for adults	Contribute to the government target of increasing participation in sport and leisure activities	Number of people over 50 attending sports sessions at the council's 3 sports centres	9,375 (April – Sept 09)	16,250	16,500	16,750	Environment and Regeneration		
Improve access to a range of social care services for adults in need	Increased opportunities and support to enable people to determine their own service provision	People supported to live independently through social services (all adults) includes grant funded clients	3656 (2008-09)	3300	3350	3400	Community and Housing	National indicator 136	
		Admissions of 18-64 year olds to residential/nursing care per 10,000 population	1.4 (2008/09)	Less than 2.5	Less than 2.5	Less than 2.5	Community and Housing		

Healthier communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
		Carers receiving needs assessment or review and a specific carers service, or advice and information	4.8% (2008/09)	17%	25%	25%	Community and Housing	LAA Target (designated) National Indicator 135	
		Number of vulnerable people achieving independent living	87.21% (2008/09)	70.45%	70.45%	75%	Community and Housing	LAA Target (designated) National Indicator 141	
		Timeliness of social care assessment	85% (2008/09)	88%	88%	88%	Community and Housing	LAA Target (Designated) National Indicator 132	
	Increased choice in use of social care services	Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	7.7% October 2009	15%	20%	27%	Community and Housing	Mission for Merton indicator National Indicator 130	

Older people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
Increase opportunities for independence, choice and control for people over 50	Deliver the strategy for people over 50 action plan	Achieving independence for older people through rehabilitation/intermediate care	83.5% (2008/09)	80%	82%	84%	Community and Housing	LAA Target (local) National Indicator 125	
		People over 65 who say that they receive the information, assistance and support needed to exercise choice and control to live independently	23.5% (2008/09)	24%	24%	24%	Community and Housing	LAA Target (designated) National Indicator 139	
Enable people over 50 to make a contribution	Recognise and value older people and	Admissions of over 65 year olds to residential/nursing care per 1,000 population	68.5 (2008/09)	66	66	70	Community and Housing	LAA Target	
		Percentage of people over 50 who feel they can influence decisions in their locality	47.8% (Annual Residents' Survey 2008/09)	56.5%	56.5%	56.5%	Community and Housing	LAA Target	

Older people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	ensure they have a say in matters that affect them	Percentage of older people who feel that their local area is a place where different backgrounds get on well together	86.3% (Annual Residents' Survey 2008/09)	81%	82%	83%	Community and Housing		

Children and young people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
Ensure children and young people stay safe	All agencies protect children and young people through implementing effectively the child and young person concern model, implementing the common assessment framework and engagement in the national ContactPoint project	Percentage of initial assessments for children's social care carried out within 7 days of referral	94%	89%	89%	90%	Children, Schools and Families	Cohort: 1000-2000 National Indicator 59 LAA Target (designated)
Enable children and young people to enjoy and achieve	Reduce the number of children excluded from secondary school	Number of child protection designated teachers, health visitors and school nurses who are trained in the use of the Child Concern Model	150	150	150	150	Children, Schools and Families	Cohort: 8000-9000
		Rate of permanent exclusions	0.35% (2008/09 academic year)	0.15%	0.15%	0.15%	Children, Schools and Families	

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	(including academies)	Rate of fixed term exclusions	8.8% (2008/09 academic year)	7.7%	7.7%	7.7%	Children, Schools and Families	Cohort: 8000-9000	
	Reduce the disproportionate number of secondary school black and minority ethnic children who are excluded (including academies)	Rate of permanent exclusions	0.25% (2007/08 academic year)	0.15%	0.15%	0.15%	Children, Schools and Families	Cohort: 4000-5000 LAA Target	
		Rate of fixed term exclusions	6.9% (2007/08 academic year)	7.7%	7.7%	7.7%	Children, Schools and Families	Cohort: 4000-5000 LAA Target	
		Percentage of pupils achieving level 4+ in English and maths at KS2	73% (2008/09 academic year)	79%	80%	82%	Children, Schools and Families	Cohort: 1500-2000 LAA Target National Indicator 73	

Children and young people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
		Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at KS2	25% (2008/09 academic year)	23% (academic year)	21%	20%	Children, Schools and Families	New Indicator Cohort: 1500-2000 National Indicator 102
	Improve educational outcomes in secondary schools through implementing the secondary strategy (including academies)	Achievement of 5 or more GCSEs at A*-C or equivalent including English and maths	47% (2007/08 academic year)	51% (academic year)	52%	54%	Children, Schools and Families	Mission for Merton indicator LAA Target Cohort: 1500-2000
		Achievement gap between pupils eligible for free school meals and their peers achieving the expected level of KS4	23% (2008/09 academic year)	21%	19%	18%	Children, Schools and Families	New Indicator Cohort: 1500-2000 National Indicator 102

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	Further improve educational outcomes for young people in care, using the virtual school as a key mechanism for improvement	Looked after children achieving 5 or more A*-C at GCSE or equivalent including English and maths	13.3% (2008/09 academic year)	At least 22%	At least 22%	At least 22%	Children, Schools and Families	National Indicator 101 LAA Target Cohort: 5-15	
Enabling children and young people to make a positive contribution	Reduce young people's involvement in offending as victims and as perpetrators	Rate of proven re-offending by young offenders	0.79	1.05	1.03	1.01	Children, Schools and Families	Cohort: 80-120 LAA Target (local) National Indicator 19	
	Improve the quality and increase participation in Merton Youth Services	Number of accredited outcomes achieved by young people through the youth service	704	650	675	675	Children, Schools and Families		

Children and young people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
Ensure Merton children and young people achieve economic wellbeing		Number of 13-19 year olds participating in the Youth Service	1,873	1,700	1,700	1,700	Children, Schools and Families	
	Reduce the percentage of young people who are not in education, employment or training (NEET)	16 to 18 year olds who are not in education, employment or training (NEET)	5.8%	5.5%	5.5%	5.5%	Children, Schools and Families	National Indicator 117 Cohort: 1500-2000
		Care leavers who are not in education, employment or training (NEET)	38.9%	36%	33%	TBC	Children, Schools and Families	Inverse of National Indicator 148 Cohort: 10-15

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
		Young offenders who are not in education, employment or training (NEET)	12%	15%	15%	15%	Children, Schools and Families	Inverse of National Indicator 45 Cohort: 40-60	
		Number of new statements naming independent or non-maintained schools	0	No more than 10	No more than 10	No more than 10	Children, Schools and Families		
		Capacity of specialist provision in the borough	366 (2008/09 academic year)	366	388	388	Children, Schools and Families		
	Improve the balance of supply and demand for schools places	The percentage of unfilled places in primary schools	11.4% (2008/09 academic year)	Up to 10%	Up to 10%	Up to 10%	Children, Schools and Families	Cohort: approx. 2000	

Children and young people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
		The percentage of unfilled places in secondary schools	8.7% (2008/09 academic year)	Up to 10%	Up to 10%	Up to 10%	Children, Schools and Families	Cohort: approx. 2000
	Improve service provision for children and young people with disabilities	Number of families of children with disabilities to receive direct payments	45	60	60	60	Children, Schools and Families	
		Number of transition plans in place for all children with disabilities known to children's social care by age 16	100% (2007/08)	90%	90%	90%	Community and Housing	Mission for Merton indicator

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
	User involvement in service planning	Number of young people participating in the TellUs 3 survey	1,157	At least 900	At least 900	At least 900	Children, Schools and Families	Mission for Merton indicator	
		Percentage of Looked After Children participating in reviews	95%	95%	95%	95%	Children, Schools and Families	Cohort: less than 200	

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
Our customers: We will engage with our customers to continuously improve and deliver services driven by their need	Improved access to our services for our customers	Number of services delivered through the contact centre	11 (Q2 2009/10)	14	16	17	Corporate Services		
		Percentage of relevant buildings that are compliant with the disability discrimination act	91.74% (Q2 2009/10)	95%	95%	95%	Corporate Services		
		Number of e-enabled payment transactions accepted via the website	55,068	45,000	46,000	47,000	Corporate Services		
		Number of e-enabled service interactions available on the council's website	877 (Q2 2009/10)	907	927	937	Corporate Services		

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
		Number of months 'the percentage of website users who found what they were looking for' is above the London average	4 as at Sep 2009 New measure-no baseline	8	9	9	Corporate Services		
	Our Customer Service Standards met and exceeded	Average number of minutes for a customer to be seen in Merton Link	12.53 minutes	13 minutes	11 minutes	11 minutes	Corporate Services/Community and Housing		
		Percentage of customers seen within 30 minutes in Merton Link	87.87%	91%	91%	91%	Corporate Services/Community and Housing		
Our people: we will have the right people, in the	A workforce that reflects the community we serve and	Percentage of employees from Black and Minority Ethnic (BME) groups	18.52% (Oct 2009)	22%	23%	24%	Corporate Services		

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
right job, doing the right things, at the right time	respects and celebrates its diversity	Percentage of employees who are disabled	4.42% (Oct 2009)	5.75%	6.00%	6.00%	Corporate Services		
	A workforce that produces excellent results through motivated and skilled staff	Percentage of staff who perceive Merton as a good place to work	62.94% 2008 staff survey	67%	N/A (no survey)	70%	Corporate Services		
		Percentage of overall staff expenditure spent on agency staff	11.24%	7.4%	7.2%	7.0%	Corporate Services		
		Percentage of total divisional staff spend in children's social care on agency staff	29.21%	30%	30%	30%	Corporate Services/Children, Schools and Families		
		Number of working days lost to sickness	8.98 days	8.5 days	8.00 days	7.75 days	Corporate Services		
		Percentage turnover of staff with less than two years of service	21.97%	16%	15%	15%	Corporate Services		

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
		Reduction in turnover of staff in posts recognised as difficult to fill	No baseline as no monitoring undertaken – annual report	1.5%	1.5%	1.4%	Corporate Services		
Our internal processes: we will work smarter to deliver sustainable performance and service improvements in a risk based environment	Robust and timely performance monitoring and reporting systems that produce accurate data	Rating for CAA Managing Performance Assessment	3 (2007/08)	3	3	4	Chief Executive's		
		Percentage of required indicators produced within timescales	83.86% (2008/09)	97.5%	97.5%	To be deleted	Chief Executive's		
		Percentage of figures amended after reporting on the dashboard	13.26% (2008/09)	10%	10%	To be deleted after 2012/13	Chief Executive's		

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments	
Our finances: we will manage our financial resources effectively and with integrity	Improved financial management	Provide budget monitoring reports to customers within 10 days of month end	New measure-no baseline	100%	100%	100%	Corporate Services		
		Expenditure for the overall council budget to be on target, with no major overspends	New measure – no baseline	100%	100%	100%	Corporate Services		
		Overall CAA rating for Use of Resources	3 as at Sep 2009	3	3	4	Corporate Services		

Corporate capacity								
Priority	Planned outcome	Performance measure	Baseline – latest position	2010/11 Target	2011/12 Target	2012/13 Target	Lead department	Comments
	Stronger control over assets	Percentage of social services debt collected: (a) under one year old; (b) one to two years old; (c) over two years old	(a) 81.17% (b) 97.06% (c) 98.77% as at March 2009	(a) 81.5% (b) 97.5% (c) 99.1%	(a) 82% (b) 98% (c) 99.2%	(a) 83% (b) 98% (c) 99.3%	Corporate Services	
	A council which delivers value for money	Percentage of savings achieved through improved efficiency	2.8% (year to date)	4%	4%	4%	Chief Executive's	Mission for Merton indicator Links to National Indicator 179
		Number of invoices below £100 as a percentage of the total number of invoices	34.80% (2008-09)	20%	15%	15%	Chief Executive's	

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Welcome and Introduction

Welcome to the London Borough of Merton's Business Plan 2010-13

This plan sets out what the council aims to achieve for residents over the next three years. Our goal is to provide you with a council that meets your needs, that puts you, our customers, first, and provides you with high quality services that are excellent value for money.

You will see that we have not just given a description of what we are going to do; we have also set firm targets so that you can judge how well we are performing.

The plan has been influenced by what you have told us. Many of you will have had a chance to contribute to consultations that the Council has run or that have been carried out by The Merton Partnership. These have included reviews of planning in the borough and considerations of the key issues facing residents in all aspects of life in the borough.

The plan is organised under a series of themes that link across the Local Strategic Partnership, the Sustainable Community Strategy and the Local Area Agreement. We have done this to show how the things that we intend to do are brought together to have a real impact on people's lives.

The themes also show how the council works with other agencies and organisations in the borough to deliver our jointly agreed vision and aspirations for the borough and its communities. Merton's residents know that real improvements need everyone in the borough to work together. We hope that the themes clearly show how the council will contribute to these partnerships and help ensure they deliver results.

Of course, the world does not stand still. Over the next three years the council and its partners may have to respond to new and unforeseen challenges. We will therefore review the plan each year to see how well we are performing and to make any changes that are necessary.

Thank you for taking the trouble to read the plan. We value all comments and we are happy to answer any questions that you may have. Please send any queries or views to Chris Pope, Director of Transformation, chris.pope@merton.gov.uk

A Profile of Merton

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 201,400 (mid-year 2008 estimate) – projected to increase to 216,000 by 2015 – living in 78,884 households.
- 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, and numerous over-ground stations and bus routes provide easy access to central London and neighbouring boroughs, including via the new Mitcham Eastfields station.
- Significant amounts of green space – notably Wimbledon and Mitcham commons. The borough also has 67 parks and open spaces, 11 nature reserves and 17 allotment sites. 18% of the borough is open space, compared to a London average of 10%.
- Approximately 25% of the population is from black and minority ethnic (BME) groups, rising to 50% of children attending Merton schools.
- 160 languages are spoken in Merton's 43 primary 3 special and 8 secondary schools.
- Increasing numbers of groups with particular needs, for example, older people and BME communities.
- Eight 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 services in Mitcham, Morden and Wimbledon.
- Merton plays host to one of the country's most famous sporting events – the Wimbledon fortnight held at the All England Lawn Tennis and Croquet Club.
- Council tax is currently set at £1,428.60 (2009/10) for a band D property (including the Greater London Authority precept), at the median level for outer London boroughs.
- The main areas of concern to residents are crime, the level of council tax and street cleanliness. Merton is fourth safest borough in London which is a tribute to the excellent partnerships between the council, Metropolitan Police Service (MPS), Safer Merton Partnership and the community.

A notable characteristic of the borough is the contrast between the more deprived wards in the east of the borough (Mitcham) and the more affluent wards in the west (Wimbledon). This can be illustrated by the following facts:

- Average household income is £31,876 per annum, but the difference between the highest and lowest paid wards is £18,000 per annum.
- Male life expectancy in Figge's Marsh ward in the east of the borough, is only 74 years, compared with a borough average of 79 years.
- The east of the borough has much higher levels of people suffering from serious illness and early deaths from illnesses such cancer and heart disease.
- Eight of Merton's Super Output Areas (SOAs) are in the 25% most deprived nationally, and they are all located in the east of the borough.
- Thirteen of Merton's SOAs are in the 20% most income deprived nationally, and they are all 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 60% of all benefit claimants in the borough live in the east of the borough.
- In some wards in the east of the borough, over a third of the population have no qualifications.

Reducing these inequalities by bridging the gap between the east and west of the borough is the key theme of the borough's second Local Area Agreement negotiated with central government, which began in 2008 and runs for three years until 2011.

An overview of the council – key facts

- The council is comprised of 60 elected Councillors, representing 20 wards and three political parties. The whole 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 councillors from the ruling party, supported by two Assistant Cabinet Members makes the majority of decisions throughout the year, with Overview and Scrutiny arrangements supporting the decision-making process.
- Regulatory committees are appointed by the council and perform planning and licensing regulations.
- The council has a revenue budget of £XXXm in 2010/11. About XX% of this will be spent on education, with around another XX% being spent on social care.
- Approximately 4,300 council employees provide a range of public services, from street cleaners and town planners to teachers and social workers.
- Council staff work in five main departments:

Chief Executive's Department

This department advises and supports the rest of the council in creating the strategies, policies and planning mechanisms needed to provide appropriate, responsive and value for money services that continually strive for improvement. The department has 3 teams:

- Policy, Partnerships and Communities
- Performance and Business Improvement
- Communications

It also leads on the transformation programme through the Director of Transformation.

Children, Schools and Families Department

This department leads on improving the life chances and choices of local children and young people alongside key Children's Trust partners from the statutory and voluntary sectors. The overall focus of work is to ensure that children and young people enjoy good health, stay safe, enjoy and achieve in their education, make positive contributions and achieve economic wellbeing. Specifically the department provides social care services for children and families, integrated youth services, early years services, and a range of education services including services for children with special educational needs whilst also and working closely with schools to raise levels of achievement and improve standards. The department has three divisions:

- Social Care and Youth Inclusion
- Education

- Commissioning, Strategy and Performance

Community and Housing

The Community and Housing department provides community services and accommodation that focus on people in need. It aims to provide residents with the chance to live independently in suitable homes within sustainable communities and with opportunities for learning and development. Divisions are:

- Housing
- Community Care (adult social care)
- Adult Education
- Libraries and Heritage

Corporate Services

This department provides a wide range of services to Merton residents and support to council departments and staff. Divisions include:

- Audit and Support
- Customer Services
- Civic and Legal Services
- Finance
- Human Resources
- Information Technology Services

Environment and Regeneration

The department provides the widest range of front line services of any department, with the overall aim of maintaining and improving the local environment and economy. It includes the Crime and Disorder Reduction Partnership, which has responsibility for tackling community safety, anti-social behaviour (ASB), and substance misuse within the borough. Divisions include:

- Regeneration and Leisure
- Streetscene and Waste
- Public Protection and Development (Planning)
- Safer Merton (the Crime and Disorder Reduction Partnership)

Core Capacity Statements

Chief Executive's Department

Director	Chris Pope, Director of Transformation
Cabinet member(s)	Councillor Samantha George, Deputy Leader and Cabinet Member for Change Management and Performance Councillor Henry Nelles, Cabinet member for Community Safety and Engagement Councillor Tariq Ahmad, Assistant Cabinet Member for Community Cohesion
Number of employees (FTE)	Approximately 32
Total anticipated revenue budget for 2010/11 (gross)	Approx xxx, including: <ul style="list-style-type: none"> ▪ c£620k infrastructure grant funding to the voluntary and community sector; ▪ £150k Preventing Violent Extremism funding from Communities and local Government via the Government Office for London; and ▪ Local Involvement in health (LINK) funding (£123k from the Department of Health).
Total anticipated projected income for 2010/11 (if relevant)	£100,000 target for income from advertising, sponsorship and filming in the borough.
Capital budget for 2010/11	None
Forecast changes affecting the department over the next three years	
Changes to funding levels	The council as a whole is facing a very tight financial situation for the next three years, and in all likelihood beyond.
Changes to income levels	The department is looking to increase the amount of revenue it can raise through advertising, sponsorship and filming, though this will be challenging during a time of economic recession.
Changes to staffing levels	Deletion of 6 posts across the department for 2010/11 Creation of the Lean Team of 8 secondees a temporary additional resource for the year
What the department must do to meet its obligations under the Community Plan and Local Area Agreement	The department is responsible for The Merton Partnership, and for driving the delivery of the new Sustainable Community Strategy (SCS) and the Local Area Agreement (LAA). It monitors the performance against the SCS and the targets in the LAA. The Stronger Communities Team are leads on the Stronger aspect of the Safer and Stronger theme, and have targets to meet in line with this. The other teams contribute to the Corporate Capacity theme and also have related targets. The Policy, Partnership and Community Team manage the council's response to the Area Assessment strand of the Comprehensive Area Assessment (CAA) which looks at how we work with partners such as

	the police and health services
New legislation or regulatory requirements	<p>The Local Government and Public Involvement in Health (LGPIH) Act 2007 continues to have a major impact upon the department, including the new powers for scrutiny, the new performance framework, including the Comprehensive Area Assessment, the duty to involve and the new LAA arrangements.</p> <p>The new Local Democracy, Economic Development and Construction Bill includes duties to promote democracy, to respond to petitions and a requirement for a dedicated resource for scrutiny.</p>
General trends in local government policy	New 'place-making' agenda, empowering local communities and driving efficiency for local government. The impacts of the recession will also have to be managed, including increased demands on some services, and reducing income from charges. All will have to be delivered in a tight financial environment, with the government expecting big efficiency savings, and low council tax rises for the foreseeable future.
Relevant changes to demographics of residents and/or service users	The population is expected to continue to grow, officially reaching just over 200,000 by 2011, although locally we estimate that this represents an undercount of perhaps 15,000. The gap between males and females is predicted to widen, with approximately 6,000 more women than men by 2011. The number of over 50s is also expected to rise to nearly 28% of the population by 2011. In addition, the population is likely to become increasingly diverse, with the widening of EU membership, and growth in the number of residents from South Africa.
Any other changes	The first half of the 2010 will also see national and local elections. A significant part of the work for the department in 2010/11 is likely to be driven by the programmes of the successful administrations.

Children, Schools and Families

Director	Yvette Stanley
Cabinet member(s)	Lead - Councillor Debbie Shears, Cabinet Member for Children's Services, Councillor Krystal Miller, Assistant Cabinet Member for Schools Councillor Henry Nelles, Cabinet Member for Community Safety and Engagement
Number of employees (FTE)	496
Total anticipated revenue budget for 2010/11 (gross)	£164 million
Total anticipated projected income for 2010/11 (if relevant)	£131 Million
Capital budget for 2010/11	£28 Million
Forecast changes affecting the department over the next three years	
Changes to funding levels	In the short and medium terms national funding of children's services is likely to be subject to restraint, although current indications are that direct funding of schools will be protected to some extent. CSF funding is heavily reliant on special and ring fenced grants which may be particularly vulnerable to reduction in public spending –e.g early years provision, youth justice and school improvement services are currently almost wholly funded in Merton through special grants. High proportions of government grant means that changes in national policy impact significantly on spending.
Changes to income levels	CSF has limited scope to generate income – the major source being 'buy back' of services from schools. Income streams are likely to be reduced in the context of overall budgetary restraint in schools and children's services.
Changes to staffing levels	The current annual growth and savings process will lead to a reduction of approximately 20 posts within CSF for 2010-11. The overall Council transformation programme as well as loss of specific grant is likely to lead to further significant reduction in staffing levels in subsequent financial years.
What the department must do to meet its obligations under the Community Plan and Local Area Agreement	All LAA designated and stretch targets relating to children's services have delivery plans, which detail the activity to be undertaken to deliver the LAA. Children's services are making a substantial contribution to the overall reward grant Merton is likely to receive at the end of the current agreement, although a number of targets will not be met. The community plan has been refreshed with the children and young people component produced in line with the national Every Child Matters policy framework as well as our Statutory Children and Young People's Plan
New legislation or regulatory	Safeguarding children/child protection - a number of new statutory performance indicators relating to social

requirements	<p>work processes, caseload levels etc are being introduced with an overall “raising the bar” of social work and partnership practice.</p> <p>Child Poverty legislation places a continued focus on supporting families with low income levels and on narrowing gaps in outcomes.</p> <p>Requirements for Children’s Trusts and the statutory Children and Young People’s Plan include increased emphasis on partnership working; a “think family” approach; further development of the Trust as a commissioner of services and clearer lines of accountability for Children’s Trust and Local Safeguarding Children Boards.</p> <p>Reduction of serious youth crime is a key strand of government policy and is part of the integrated and targeted youth support agenda.</p> <p>The Council will be responsible for commissioning 16-19 education in the borough from 1 April 2010 following the demise of the Learning and Skills Council.</p>
General trends in local government policy	<p>Efficiency and cost reduction are key trends - this is explicitly manifested in Merton by the transformation and LEAN projects.</p> <p>Participation of families and young people in relation to the full spectrum of council activity, including service design, allocation of funding, and engagement with council democratic processes, is another major theme.</p>
Relevant changes to demographics of residents and/or service users	<p>There is a rapidly increasing child population in Merton, this having significant implications for service delivery across universal targeted and specialist services – from additional school places to increased number of children with special educational needs and with a need for social care interventions.</p> <p>The BME population in schools continues to increase as does the number and percentage with English as an additional language - this has implications regarding the provision of universal and targeted services and informs the council’s community cohesion agenda.</p>
Any other changes	<p>The increased national focus on child protection has increased the workload for social care teams and will lead to changes in practice on a local and national level.</p> <p>The economic downturn is likely to increase the demand for some services.</p>

Community and Housing

Director	Simon Williams			
Cabinet member(s)	<p>Councillor Diane Neil Mills – Cabinet Member for Finance and Regeneration</p> <p>Councillor Maurice Groves - Cabinet Member for Adult Care Services and Health</p> <p>Councillor Linda Scott - Cabinet Member for Housing and Community Services</p>			
Number of employees (FTE)	691			
Total anticipated revenue budget for 2010/11(gross)	£90.3 million			
Total anticipated projected income for 2010/11 (if relevant) (includes HRA)	£34.7 million			
Capital budget for 2010/11	£1.5 million			
Forecast changes affecting the department over the next three years				
Changes to funding levels	Merton's provisional formula grant allocation in 2010/11 is £67.733m which is an increase of 1.5% on the adjusted 2009/10 formula grant allocation.			
Changes to income levels	Income levels will be adjusted in conjunction with the changes implemented as part of the Fairer Contribution Policy. There is a possibility of Free Personal Care at Home regulations coming into force in 2010. If this happens there could be an estimated net reduction in Merton's income of £374k.			
Changes to staffing levels	In the light of the MTFs and the Transformation Programme it is likely that staffing levels will reduce. These estimated reductions were taken into account in the staffing figures above.			
What the department must do to meet its obligations under the Community Plan and Local Area Agreement	The department leads on the Older People and Healthier Communities themes (these have been combined into on Healthier Citizens theme of the LAA and Community Plan), and has a number of both designated and local indicators to monitor and deliver against, including one stretch target relating to direct payments.			
New legislation or regulatory requirements	<p>The bulk of grant funding is via the Area Based Grant and no longer ring fenced to specific activities. To date the full ABG was allocated to the department. It is unclear whether this will continue in future or if the allocation will be replaced by a corporate bidding process.</p> <p>The Putting People First adult care strategy has the force of statutory guidance and requires councils to change adult social care to deliver support through self directed support e.g. personal budgets.</p>			
General trends in local government policy	Key trends are increased efficiency, improved outcomes for customers and improved partnership working.			
Relevant changes to demographics of residents and/or	Projected changes in population 2009-2015:	2009	2015	% Increase

service users	People aged 65-69	6,000	7,600	32%
	People aged 70-74	5,400	5,200	22%
	People aged 75-79	4,700	4,500	-4%
	People aged 80-84	3,600	3,600	3%
	People aged 85 and over	3,800	4,200	21%
	Total population 65 and over	23,500	25,100	14%
	<i>Source: Department of Health POPPI and PANSI – projecting population</i> This increase in the older population has been built into future service and financial projections.			
Any other changes				

Corporate Services

Director	Caroline Holland
Cabinet member(s)	Councillor Samantha George, Deputy Leader and Cabinet Member for Change Management and Performance Councillor Diane Neil Mills, Cabinet Member for Finance and Regeneration
Number of employees (FTE)	486
Total anticipated revenue budget for 2010/11 (gross)	£122.485m
Total anticipated projected income for 2010/11 (if relevant)	£109.867m
Capital budget for 2010/11	£7.278m
Forecast changes affecting the department over the next three years	
Changes to funding levels	Included in the budget figures above are savings of £2.677m and growth of £494k. There is an expected reduced central government funding for the council as a whole, including a 5% reduction in housing benefits administration grant from Department for Work and Pensions.
Changes to income levels	A reduction in income from Merton Translation Services and Local Land charges, along with an increase in CHAS income due to increased number of businesses. There may be a decrease in collection rates for Council Tax and Business Rates, due to the recession
Changes to staffing levels	There will be changes to staffing levels and staffing structures as part of Merton's Transformation Programme and the LEAN review, and as a result of the TUPE transfer of staff to Sutton Council due to Shared Services.
What the department must do to meet its obligations under the Community Plan and Local Area Agreement	The department will need to review funding. The department is also responsible for increasing benefit take up by older people.
New legislation or regulatory requirements	Impact of the Local Government and Public Involvement in Health Act 2007 and the Duty to promote democracy The Government's Welfare Reform Agenda will have an impact on residents and as always there will be significant housing benefit legislative changes implemented during 2010/11. Changes to the CAA Use of Resources assessment to include workforce development Government Connect is a pan-government programme providing an accredited and secure network between central government and every local authority in England and Wales and will impact on the department's need to increase security when information sharing between public bodies.
General trends in local government	Trends include increased efficiency, improved outcomes for customers, improved partnership working and shared services.

policy	
Relevant changes to demographics of residents and/or service users	<p>Due to the ongoing recession there is an increase in housing benefit and council tax claimants and customer increase in Merton Link and Contact Centre.</p> <p>Due to the ageing population there is the need to provide focused, specific advice on pension and welfare benefit related issues</p>
Any other changes	<p>The International Financial Reporting Standards (IFRS) will continue to impact on the council's accounts.</p> <p>There may be significant impact on Corporate Services, and the council as a whole, depending on the outcomes of the local and general election.</p> <p>2010/11 is the last year of the transition plan for Student Loans, before management is moved from the local authority and passed to the Student Loans Company.</p>

Environment and Regeneration

Director	Chris Lee
Cabinet member(s)	Councillor Neil Mills, Cabinet Member for Finance & Regeneration Councillor Nelles, Cabinet Member for Community Safety & Engagement Councillor Simpson, Cabinet Member for Environment & Leisure Services Councillor Brierly, Cabinet Member for Planning & Traffic Management Councillor George, Cabinet Member for Change Management and Performance
Number of employees (FTE)	c750 inc Safer Merton
Total anticipated revenue budget for 2010/11 (gross)	£ 67.25m(include Safer Merton) <ul style="list-style-type: none"> ▪ c£1.1m Primary Care Trust budgets allocated to Drugs but paid directly to the Mental Health Trust;
Total anticipated projected income for 2010/11 (if relevant)	£36.6m
Capital budget for 2010/11	£c13.4m
Forecast changes affecting the department over the next three years	
Changes to funding levels	Significant pressures on resources are likely to mean savings are required. This will be quantified in 2010/11 and subsequent budget processes. Reductions in the Pooled Treatment Budget and Young Peoples Substance Misuse Budget are being managed however this may require some recommissioning
Changes to income levels	Various changes in the nature of specific grants claimable by the Department are anticipated but the net effect on income cannot be quantified at this stage. Income is adversely affected by the recession. In addition legislative change will affect income from land and associated charges.
Changes to staffing levels	Very much dependant upon decisions taken as part of the budget processes. Overall staffing levels for the Department will fall.
What the department must do to meet its obligations under the Community Plan and Local Area Agreement	The Department has individual or shared responsibility for over 20 LAA targets. These are set within the context of the aspirations included in the Community Plan.
New legislation or regulatory requirements	Traffic Management Act 2004 in relation to parking enforcement and processing/responding to representations against Penalty Charge Notices. GLA Act 2007 which gives new planning powers to the Mayor of London. Revised London Plan. Legislative and Regulatory Reform Act 2006 which introduces new statutory code of practice for regulators. Unfair Commercial Practices Directive which harmonise consumer protection legislation and introduces new sanctions. Energy Performance of Buildings Directive which extends HIPS to public buildings, and commercial, rented and newly built properties. New Roads and Streetworks legislation covering notices, fixed penalty notices and permits. New planning legislation which has changed the permitted

	<p>development arrangements.</p> <p>Planning Bill which proposes a new system for approving infrastructure of national importance with the aim of streamlining decision making.</p> <p>New legislation around anti-social behaviour and an increase in the council's responsibilities in this area will be coming on line in early 2010</p> <p>New legislation around domestic violence (violence against women and girls VAW) and counter terrorism is expected in 2010</p> <p>New duties around organised crime and business crime will be brought on line in 2010</p> <p>New duties around integrated offender management (IOM) and partnership deliver (Hallmarks of Effective Practice) for CDRP's come on line in 2010</p>
General trends in local government policy	<p>The financial situation will adversely effect the department's income position and add to the economic problems experienced by the poorer communities and areas. As such service demands related to deprivation will increase whilst funding available generally will reduce. This is in the context of an increasing need to fund expenditure from income sources rather than Central Government and the comparatively low level of funding from Central Government.</p> <p>Merton has ongoing major budgetary pressure which is being dealt with through an Efficiency Review and will lead to further savings being identified in 2009/10. More services being provided on a partnership basis with local authorities, public sector organisations, the third (voluntary) sector and the private sector.</p> <p>Greater emphasis on place shaping, community leadership and community engagement.</p> <p>Increasing contribution to reducing climate change.</p> <p>Pressure to simplify service users ability to contact local authorities and access information/advice.</p> <p>A greater pressure to perform in the area of perception as it relates to crime and disorder</p>
Relevant changes to demographics of residents and/or service users	<p>Population expected to increase to 210,000 with notable increases in numbers of teenagers, children of primary school age, young people and BME. There is likely to be a need to focus capital expenditure on increasing the number of primary school places which means that other capital projects have a lower priority.</p> <p>Number of households increasing.</p> <p>Increasing numbers of short term migrants.</p> <p>More older people with a dependent need to increase their activity rates.</p>
Any other changes	<p>Declining business base.</p> <p>Growing pressure on the infrastructure with particular concerns about housing stock.</p> <p>Declining competitiveness of Morden and Mitcham centres and secondary shopping centres.</p> <p>Need for higher levels of sustainability as part of the response to climate change.</p> <p>Growing importance of "Cultural Services"</p> <p>Preparing for the 2012 Olympics.</p> <p>Growing customer expectations about service standards.</p>

Achievements in 2009/10

The council has delivered a number of significant achievements in the last year, and received several positive judgements from external inspectors.

Comprehensive Area Assessment

In 2009 the Audit Commission introduced a new, lighter touch inspection regime, focusing more on the local area and upon outcomes. Area assessments look at how well local public services are delivering better results for people in the area. A wide range of evidence is used to come to conclusions about how well things are going now, and whether they will get better or worse in the future. The area assessments concentrate on the issues that are most important to each local area.

The Audit Commission found that overall, Merton Council performed well. The overall results were as follows:

Managing Performance	3 out of 4
Use of resources	3 out of 4
Managing finances	3 out of 4
Governing the business	3 out of 4
Managing resources	2 out of 4

Improving Sustainable Communities

We have made significant progress against our Sustainable Communities priorities in the last year. As a result:

- 100% of offensive graffiti was removed from council housing within one day;
- 33% of waste is now recycled or composted;
- 69% of residents are satisfied with the recycling facilities within the borough according to the 2009 Annual Resident Survey;
- no families have to live in hostel accommodation;
- Merton has retained the lowest number of households in temporary accommodation of any London borough. .
- Average void turnaround time on empty properties has reduced to 27.5 days (compared to 43.2 days in 2008/09).

Making communities safer and stronger

The council is working towards building safer and stronger communities. Key successes in the past year include:

- According to the 2009 Annual Residents Survey 54% of residents are very or fairly worried about crime. This is the lowest figure for five years
- According to the 2009 Annual Residents Survey 55% of residents are very or fairly worried about ASB. This is the lowest figure for five years
- According to the 2009 Annual Residents Survey 33% of residents are very or fairly worried about drug users and drug dealing in their local area. This is the lowest figure for five years;
- At the end of October 2009 overall crime in Merton was down 1% compared to the previous 12 months. Crime has also gone down by 10% in the last three months (August/Sep/Oct)
- 82% of residents think that their local area is one where people from different backgrounds get on well together;
- 74% of residents think that the council keeps them informed;
- holding a number of events under the community cohesion umbrella, including Peace Week, Black History Month, Holocaust Memorial Day and Lesbian Gay Bisexual and Transgender (LGBT) month;
- receiving recognition for the Merton Compact, a partnership agreement between the local public agencies such as the council, police, fire, health and the voluntary and community sector, from both the National Compact Awards and London Compact Awards;
- increased attendance at the five Community Forums, which provide local people with an opportunity to find out more about initiatives in their area and challenge local service providers on improvements to their community;
- launching the council's new Corporate Equality Scheme, which reflects our ongoing commitment to provide direction and leadership in demonstrating the council's commitment to equality
- the council's 'Parklife' initiative, which tackled anti-social behaviour in one of the borough's parks, came second in the national Home Office Crime Reduction awards;
- Merton became one of the first London boroughs to complete a Strategic Assessment, which was cited as an example of best practice by the Government Office for London; and
- Merton came second in the Public Attitudes Survey of how well the public regard the police and council working together.

Making Merton healthier and improving life for older people

As the eighth healthiest London borough, Merton is a healthy place to live, with low numbers of residents suffering from a long-term limiting illness. The council has also made progress in joining up and delivering services for older people in the past year. Some of the achievements are listed below:

- One point of contact for adult social care came into being on may 1st with the launch of the Merton Adult Access Team

- The Reablement Service was launched, offering a multi-agency co-ordinated support system for people leaving hospital and requiring care at home
- Healthy Walk programmes have seen an uptake in participation and sailing groups have achieved Day Skipper qualifications
- A 24/7 dedicated phone line was introduced to report cases of adult abuse
- The under occupation scheme assisted older people to move from homes too large for them to manage into smaller homes
- A housing advice network was set up
- Access to transport has been improved as part of an annual programme, increasing the number of bus stops that are compatible with low floor buses and step-free access at Eastfields Station
- Working with Merton Community Transport a low cost scheme was implemented loaning mobility scooters to older people
- Additional tuition has been provided to older people to improve confidence with their driving skills
- The 'Celebrating Age Festival' is in its seventh year and was again fully subscribed.
- Free swimming introduced for over 60's.

Improving life for children and young people

The borough's priorities for children and young people are based around the five 'Every Child Matters' priorities. Achievements in 2009/10 include:

- Merton Council's young resident's survey 2009 indicates that 84% of young people agree that Merton is a good place to live;
- Healthy schools awards Local Area Agreement (LAA) stretch targets were met for accreditation and enhanced accreditation.
- prompt and effective child protection work co-ordinated by the Merton Safeguarding Children Board;
- improved access to a good range of childcare places;
- continued improvements to early years provision;
- improved education for 5-16 year olds with better targeting of support;
- Key Stage 2 results continue to improve and are above national averages.
- excellent GCSE results with an increase in pupils achieving 5 A*-C grades, amongst the most significant improvements both in London and nationally;

- Secured the increase forms of primary school places to accommodate increased demand
- Progressing the action plan to provide new sixth form places due to open in Merton secondary schools in September;
- Progressing SEN strategy, including development work on the new SEN centre of excellence
- Now almost all schools are delivering the full core offer for extended services
- effective multi agency work through our eleven children's centres offering co-ordinated support to the local communities;
- a good range of activities aimed at reducing antisocial behaviour and diverting young people from offending;
- significantly reduced re-offending rates with effective work with young offenders and a well-developed partnership with Merton Police;
- 16-18 year olds not in education, employment or training (NEET), LAA stretch target has been met, with the Merton NEET rate down to 5.6%.

Improving the capacity of the council

In order to deliver improved services it is important that we maintain the capacity of the council.

Our Customers:

- Merton Benefits Service were semi finalists in the Institute of Revenues, Rating and Valuation national Excellence in Customer Service award
- We have increased the council buildings open to the public that are suitable for, and accessible by, disabled people to 91.74%.
- We have reduced the average waiting times for Merton Link customers to 12.15 minutes and improved access to services through the council's website.
- Merton's website has performed consistently above average for overall customer satisfaction, compared to other London boroughs. The annual survey of UK local government websites listed Merton in the top 9 London boroughs. It also cited us as an example of best practice for technical performance, and for our council meetings, community forums and Facebook pages.
- Customer Service Excellence Standard accreditation has been gained by financial assessments, scrutiny
- Merton scored higher than all other London boroughs in the Place Survey for 'warning and informing'.

Our Finances:

- The council has scored 3 (out of 4) in the new 'Use of Resources' assessment and consistently achieves above the required standards.
- In addition, the percentage of residents who feel that the council provides good value for money increased by 9%.

Our Internal Processes:

- We have delivered efficiency gains of 4% and exceeded both government and internal savings targets.
- Our groundbreaking HR shared service with Sutton Council is now in place.
- Legal Services have been successfully reassessed against the Law Society's Lexcel Practice Management Standards.
- Electoral Services achieved the third highest return in London for the annual voter registration canvass.
- CHAS (Contractors Health & Safety Assessment Scheme) achieved ISO9001 (International Organisation for Standardisation) on quality management and the 14001 on environmental management.

Our People:

- HR improved its OFSTED score from satisfactory to good, on the Workstep programme, an employment programme to support disabled people in the workplace.

Planning for improvement

We have an established planning infrastructure that allows us to express our vision and ambitions for the community, make sure our priorities for improvement are properly resourced, and ensure that these high level priorities are reflected in the work programmes of the departments, divisions, teams and individual staff throughout the organisation.

Sustainable Community Strategy

In 2006, the Merton Partnership launched the Community Plan, covering the period 2006-2015. The plan is reviewed and refreshed every three years to ensure it is relevant and up to date and that it meets the requirements of the Sustainable Communities Act. In line with new government terminology, the Plan has been renamed the Sustainable Community Strategy. The Strategy is a ten year document setting out a vision for the quality of life and services for people in Merton, and a plan of action to achieve this. The Strategy guides how the council, local organisations, the community and voluntary and private sectors, health authority, fire brigade and police work together to improve Merton. The refreshed strategy was launched in June 2009 and will run to 2019.

The Local Area Agreement (LAA) – ‘Bridging the Gap’

The LAA is a three year agreement between Merton and central government. The LAA undergoes an annual refresh process. The theme of the LAA is ‘Bridging the Gap’, aiming to reduce the inequalities between the east and the west of the Borough. It is delivered jointly by the council and the Merton Partnership. The intended agreement contains 12 stretch targets, the achievement of which will earn the Partnership a significant level of reward grant. The stretch targets end in March 2010. The LAA has been developed to reflect and deliver the longer term objectives of the Sustainable Community Strategy.

Business Plan

The Business Plan sets out the council’s vision, ambitions and resulting priorities for improvement over the next three years, and describes how these will be achieved. It is important to remember that the Business Plan only sets our priorities for improvement and associated targets - it does not include targets for the many other areas of core, day-to-day activity that we are not prioritising for improvement. Targets for maintaining performance in these areas are set out in departmental service plans (see below). The Business Plan translates our ambitions into a number of high-level service priorities and targets. As a leading member of the Merton Partnership, our priorities have been developed to support the Sustainable Community Strategy and strengthen our role as community leader for the borough.

Business planning is integrated with financial planning. The Business Plan drives internal resource allocation in line with our Medium Term Financial

Strategy, with changes in allocations determined in accordance with policies and priorities.

Mission for Merton

In September 2007 the council began an exercise (which came to be called the 'Mission for Merton') to deepen its understanding of what local people see as important for the borough. A series of conversations have been held with around 50 community groups. The results gathered from these exercises have strongly influenced the plans and programmes of activity of the Council, reflected where appropriate in this 2010-13 business plan.

Local Development Framework (LDF)

The LDF sets out the council's vision and strategy for development and place shaping over a 15 year period. The LDF forms part of the government's new spatial planning system, which requires preparation of a Core Strategy to link with and help to deliver the Sustainable Community Strategy. Merton has begun this process and is due to submit the Core Strategy to the Secretary of State in 2010. In addition, the LDF has been influenced by the outcomes of the 'Mission for Merton'.

Service Plans

Service Plans set out how our departments and divisions will help us achieve the Business Plan targets. They also include cross-cutting issues, such as value for money, equality and diversity considerations, sustainability, and customer access and care. Departments and divisions update their Service Plans every year in line with revised Business Plan priorities and targets.

Medium Term Financial Strategy (MTFS)

The MTFS is a rolling, three-year financial strategy that sets the financial context for the council over the next three years. The aim of the MTFS is to maximise available financial resources, and ensure that we make informed decisions that match the desire to improve to the resources that are available. A strong link between the MTFS and the Business Plan is therefore important to ensure that the priorities for improvement contained in the Business Plan are underpinned by good analysis and projections of the resources that will be available to the council.

Capital Strategy

The Capital Strategy is a fundamental component of our planning system as it maximises the contribution of the council's limited capital resources to achieving our vision and priorities. We 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. In developing

the Capital Strategy, clear linkages have been identified with the Business Plan targets and objectives, and those of the 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 Borough Spending Plan (Transport) and Asset Management Plans.

Annual Report

A proper part of the planning cycle must include a formal review of the success of the previous planning and performance cycle in order to learn lessons and improve planning. It is also important that we provide evidence to the public of how we have performed against our plans, so as to enhance accountability and inform democratic processes. Therefore, in the autumn of each year we produce an Annual Report which reviews our performance and financial position, looking back at the previous financial year, and feeding into business planning for the next financial year.

Our Vision

The Council's Vision

In short, Merton should be renowned as the south west London suburb that is a great place to live and call home, where citizens are also neighbours and take responsibility for improving their own lives and neighbourhoods, supported by good value local services from Merton Council.

The Council's Mission

Our mission is to make Merton a great place to live and call home, where the council provides opportunity for individuals and families to prosper in south west London. We will enable local people to fulfil their ambition by providing educational opportunity and good value services in a safe and sustainable suburb.

The council will bind Merton's distinct communities together with a common sense of belief in safe neighbourhoods, social progress and educational opportunity, bridging the gap between the inequalities that exist in the borough.

Under the Mission for Merton programme we will focus on the following five strands which will deliver tangible benefits to local people:

- Safer Merton: covering the drive to make the borough a safer place, tackling anti-social behaviour in particular, and to ensure cohesion between communities and generations.
- Sustainable Merton: a commitment to improve the local environment whilst providing access to better local amenities, transport and social housing.
- Enterprise Merton: a commitment to stimulate enterprise in the borough, reduce red tape to support small businesses, promote employment opportunities and keep council tax down.
- Healthy Merton: a commitment to enhance the lives of vulnerable, younger and older residents through improving health and social opportunities.
- Opportunity Merton: a programme to improve education, from nursery level to adult provision, to develop local cultural and leisure offers for all, and to increase participation in local decision making.

These strands support, inform and enrich the six key themes of the Business Plan. The ambition for each of these themes is outlined below.

Sustainable Communities

Our ambition is to promote and support the local economy through the challenge of the current economic downturn, building resilience and stability and at the same time looking for opportunities to prepare for future recovery.

We have a role to play in supporting local businesses and encourage entrepreneurs through working with partners to manage town centres, address skills needs, and build on and develop sectors with particular strengths for the future. Our residents will benefit from a cleaner and more attractive physical environment and improved access to good quality housing, leisure and transport facilities and learning and employment opportunities. We have a key strategic role to 'place shape' to achieve environmental and economic improvement by the creative use of powers and influence to promote the general well-being of communities and their citizens.

Safer and Stronger Communities

The vision for the future of Merton in 2019 is a borough where not only has crime fallen and perceptions of personal safety increased, but also as a place where all citizens share a greater sense of belonging. There will be strong and positive relations between people of different backgrounds and a voluntary and community sector that is playing a full part in tackling social problems.

In a safer Merton people will be able to exercise their right to live and work in a secure environment free from the fear of crime. As part of a stronger Merton, people will respect the rights and social customs of others, will share a greater sense of social responsibility, will feel more valued, and will be willing and able to play a part in the life of the borough.

Healthier Communities

In September 2009 the Healthier Communities and Older People thematic partnerships merged to form a new thematic partnership, called Healthier Citizens. The supporting structures are being reviewed and a common vision will be developed during 2010. The purpose of the merger was to improve channels for effective engagement and review changing capacity across all organisations.

As the new thematic partnership embeds its changed structures, a new joint vision will be produced. In the meantime, the separate visions for the two thematic groups remain in force.

Healthier Communities: Our ambition is to promote engagement in healthy living and lifestyle changes through delivering a range of recreational and cultural activities at the same time as we use our business regulatory functions to stop illegal activities, which adversely affect the health of residents e.g. selling cigarettes to children. We will have a well-developed and defined role in the promotion of healthier communities, with a special focus on reducing the health inequalities between the eastern and western wards.

Older People: We will engage with older people about their needs and aspirations as part of a broad approach that promotes choice, control and independence. While the traditional areas of health and care are not left aside, the major direction is one where people over 50 are able to access information easily as well as advice and support in putting their choices into

effect. We will work in partnership with the NHS Sutton and Merton to provide an integrated approach that will empower people to manage their own health and well-being. We will add value to peoples' lives by offering tools and techniques to enable them to take responsibility for their lifestyle changes.

Children and Young People

Merton has the highest ambitions for children and young people. We will work with our partners to provide outstanding services which promote and improve the life chances of all children and young people. We are particularly determined to help those facing obstacles or challenges to overcome them, and to 'bridge' or 'narrow' the gap in outcomes which exists between some children and their peers.

Corporate Capacity

Merton will be a council which focuses on the outcomes for its customers, by delivering the same or improved service levels whilst reducing costs, providing value for money services. We will improve customer access to our services, set high standards of customer care and take advantage of new technology. We will manage our resources to provide value for money, high standards of governance, financial control and budget management. We will recruit and develop our workforce so that it is equipped and motivated to deliver effective services.

Being clear about our priorities

This Business Plan sets out a number of priorities and targets for the next three years. Developing these has required a complex balancing act between the level of competing demands we face, and the level of resources that we anticipate having available in that period. So how have we decided what is and what is not a priority?

Local concerns

Our overriding aim is to improve the lives of Merton's residents by responding to the concerns of those who live, work and learn in the borough. We carry out a number of consultations to identify what these concerns are and receive other forms of feedback, for example through:

- the Annual Residents' Survey;
- the Place Survey;
- Community Forums;
- consultation with specific user groups and community groups; and
- complaints, comments and suggestions.

In 2007 we widened our existing knowledge of our communities through an extensive consultation exercise, which we called the Mission for Merton, and we have continued that conversation with local people and communities with an ongoing programme of consultation in 2008.

These methods consistently tell us that residents are most concerned about crime and anti-social behaviour, the level of council tax, and street cleanliness. As a result, this plan contains commitments to improve all of these areas.

This evidence together with further consultation carried out by the Merton Partnership has informed the development of the refreshed Sustainable Community Strategy, which was published in June 2009. The priorities in that strategy are reflected in this business plan. This will ensure that we contribute, along with our partners, to delivering the outcomes residents want.

The council's second LAA - 'Bridging the Gap', which began in April 2008 – set out the actions which will help to deliver the vision set out in the current Community Plan. Delivery of the LAA will contribute to the longer term objectives outlined in the new Sustainable Community Strategy and this 2010-13 Business Plan. Its overarching theme is to reduce inequalities between the east and the west of the borough.

Our understanding and knowledge of local needs

The council is committed to tackling the areas of deprivation in the east of the borough. This issue is mainly dealt with through the Merton Neighbourhood Renewal Strategy. Many of our Business Plan priorities are particularly

focused on improving the life chances of those who live, work and learn in Mitcham. This is part of a coordinated effort to reduce the inequalities between east and west of the borough, and to break the cycles of deprivation, including through the LAA as mentioned above. Examples of priorities that deal with these issues are the redevelopment of Mitcham town centre, and improving the educational attainment of people in the east of the borough.

National priorities and Government legislation

Central and local government have together set out 'shared priorities' for improving services that we aim to support. Our policies and activities broadly reflect those shared priorities. In addition, the government has laid out a small number of specific requirements for local government to aim to achieve. Considering these has also impacted on how we have prioritised our resources.

The council is continuing to respond to the Local Government and Public Involvement in Health Act, which became law in October 2007, and the resulting guidance and secondary legislation. This includes the national set of 198 performance indicators, the new duty to involve, changes to the inspection regime which brings together a number of inspection agencies including the Audit Commission, the Office for Standards in Education, Children's Services and Skills (OFSTED) and the Care Quality Commission (CGC) to deliver the Comprehensive Area Assessment (CAA), and new arrangements for Local Areas Agreements (LAA). The Business Plan has been updated to ensure it is fully in line with both the LAA and the national indicator set.

Central Government inspection and assessment

The Comprehensive Performance Assessment (CPA) has been a key driver of continuous improvement across all service areas over the past seven years. This has now been replaced by the Comprehensive Area Assessment (CAA). CAA looks not just at the performance of the council, but also at the local area as a whole, and what the outcomes are like for local people. It will also look at how well the council works with other partners in the local area, including the voluntary sector.

Financial resources

We have developed Business Plan priorities, and their related targets, alongside our current and predicted budget over the life of the plan as set out in the Medium Term Financial Strategy. The targets are intended to be challenging yet realistic when considering the available resources, and our need to continue to provide high quality core services that have not been prioritised for improvement. As an organisation we are constantly striving to release additional resources through making efficiency improvements. Funding settlements from central government expect councils to make 3% annual efficiency savings, and we will at the very least meet those targets. There will be additional challenges as a result of central government's

response to the national economic climate and less resources generally available to the public sector.

Continuous improvement

The priorities in this Business Plan are those that have been identified as most in need of further improvement through additional targeted resources. This does not mean that we will not strive for continuous improvement across all services. We will work with residents and service users, within our existing budget, implementing value for money systems and efficiency savings to continue providing excellent and improving services for the residents of Merton. Where we have already achieved a high level of success in a specific area we will aim to maintain that, but the focus of priorities identified in this Business Plan will switch to a different area for improvement.

The Merton Partnership

The Merton Partnership brings together representatives from the public, private and voluntary and community sectors in Merton. The Partnership promotes joint working, community involvement and a good quality of life in the area. It develops and delivers the borough's Community Plan/Sustainable Communities Strategy and the Local Area Agreement (LAA).

The council's relationship with its partners is becoming increasingly important as we strive to deliver 'joined up services' and tackle key priorities in the borough through the Merton LAA.

The Merton Partnership consists of three tiers:

The Merton Partnership – this is the full partnership body that provides the governance and representation to ensure that the Partnership identifies and delivers the aspirations of the local community. It is chaired by the Leader of the council as the person with the clearest legitimate democratic mandate in the borough. It receives reports and briefings on the strategic issues for the borough, and has a coordinating function for the Partnership.

The Executive Board – this is the decision-making body for the Partnership and it is currently chaired by the Chief Executive of the council. The Executive Board brings together the key resource holders in the borough to ensure that the work of the Partnership is given the leadership and capacity it needs to deliver improvement. The Executive is committed to working proactively, sharing data and resources and implementing cross-cutting projects, to achieve the aspirations set out in the Sustainable Community Strategy and to deliver the LAA.

Thematic Partnerships – these partnerships coordinate the delivery of the Partnership's objectives across the following thematic areas:

- sustainable communities;
- safer and stronger communities;
- children and young people; and
- healthier citizens.

Because this Business Plan is arranged by the similar themes (with an additional 'corporate capacity' theme), this helps to ensure that the council's priorities match the longer term aspirations set out in the Sustainable Community Strategy. Other partnership organisations will continue to make sure their business plans (or equivalent corporate documents) achieve the same set of jointly agreed goals. In this way the Partnership is working towards delivering the key outcomes needed to improve the quality of life for residents of Merton.

Achievements in 2009/10

- Development of a Partnership response to the impact of the recession in Merton
- An internal review of the way the Partnership operates has resulted in a comprehensive action plan aimed at streamlining processes and enthusing the Partnership

Challenges facing the Partnership in 2010/11

- Delivering the aspirations set out in the Sustainable Community Strategy by 2019.
- Delivering the final year of the current Merton LAA
- Responding to the implications arising from both local and national elections
- Building on improved cross-partnership working to deliver specific benefits for local people (e.g. using problem solving or task and finish groups)
- Continuing to raise the profile of the Partnership.

Contact details

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Sustainable Communities

Our ambition

Our ambition is to improve the quality of life for our residents, communities and businesses. They will benefit from a cleaner and more attractive physical environment and improved access to good quality housing, leisure and transport facilities and learning and employment opportunities. We have a key strategic role to 'place shape' to achieve environmental and economic improvement by the creative use of powers and influence to promote the general well-being of communities and their citizens.

Our priorities for the next three years

The objective of achieving 'sustainable communities' embraces all the elements that improve the quality of life for all Merton's citizens and its business community. At its heart it is about ensuring that people have:

- good quality places to live, in terms of homes, local environment, and culture;
- transport systems that support sustainable travel choices;
- improved job opportunities supported by a vibrant business community and voluntary sector; and
- access to training, learning and skills enhancement opportunities.

We will continue to deliver a range of accredited and non-accredited learning programmes in the following categories:

- Further Education - Accredited Provision
- Personal and Community Development and Learning
- Family Learning
- Family Literacy and Numeracy
- Neighbourhood Learning in Deprived Communities

Alongside job, training and learning opportunities, there are national, London-wide and local contexts which need to be considered. The challenge is not only that progress is made against each individually, but also that there is a coordinated approach to developing sustainable communities across the borough.

We will work hard to:

- secure new affordable housing;
- ensure that all the promises and commitments set out in the Offer Document are delivered by the new housing association, Merton Priory Homes, following the housing stock transfer in March 2010;

- develop a planning policy framework which will balance the needs for regeneration and environmental improvement with the equal need to protect the green and open spaces;
- continue to develop and implement neighbourhood plans;
- enhance our 'street scene', with the emphasis on continuing to improve our core cleansing and waste services and residents' satisfaction with them;
- use our transport planning policies and traffic management schemes to reduce the proportion of journeys made by car and increase the quality and attractiveness of other transport modes;
- support development proposals that encourage travel by sustainable modes;
- reduce the risk of people being involved in road traffic accidents;
- facilitate the creation of quality job opportunities particularly for residents of the eastern wards;
- make Mitcham and Morden town centres more competitive and better able to provide for local needs;
- ensure cultural and leisure facilities meet local needs and encourage more participation by all, notably the young and elderly;
- protect and enhance our unique network of green spaces;
- develop a Climate Change Strategy in consultation with our partners and stakeholders to address environmental sustainability in the borough;
- increase opportunities for people to enhance their skills, particularly in supporting people into work, including ensuring council libraries are responsive to this aim;
- place sustainability at the core of decision-making, notably in relation to planning, transport and waste.

There is a significant stream of work aimed at developing the borough's economic and enterprise base. Work opportunities and a thriving local economy make an important contribution to people's quality of life. The global economy and the national and regional context of the economic downturn are particularly important in making progress.

In the current economic climate we are facing significant uncertainty in external macroeconomic factors. It is difficult to predict the nature and extent of the changes in the local economy. Nonetheless, specific ambitions include work to:

- improve job opportunities supported by a vibrant business community and voluntary sector;
- improve average level of pay for jobs in Merton and secure higher average household income for residents;

- increase the survival rate of new businesses and support existing businesses;
- increase economic resilience through a diverse local economic base which does not rely too heavily on any one sector for its continued success;
- facilitate the creation of quality job opportunities particularly for residents of the eastern wards;
- seek to maximise the employment and business benefits of the Olympics/Paralympics for the borough;
- work with partners to physically regenerate Mitcham and Morden town centres and implement programmes of complimentary initiatives;
- support town centre businesses, both office and retail, through effective town centre management;
- market the Borough to appropriate investors on the basis of carefully assessed comparative advantage and cluster analysis;
- provide support to local entrepreneurs, both existing and potential businesses;
- identify sectors with the greatest opportunity for future growth;
- improve the operational and environmental quality of the borough's stock of business premises;
- support businesses to address the environmental impact of their activities;
- work with voluntary sector groups who have an important role to play in assisting people in preparing for work and widening skills and experience;
- promote localised employment initiatives including social enterprises and the a local Credit Union; and
- promote local procurement amongst partners.

The council, together with local partners, has put in place a recession action plan. This is linked to a set of indicators to monitor the ongoing impact of the economic situation in Merton.

Safer and Stronger Communities

Our ambition

The vision for Merton in 2019 is a borough where not only has crime fallen and perceptions of personal safety increased, but also as a place where all citizens share a greater sense of belonging. There will be strong and positive relations between people of different backgrounds and a voluntary and community sector that is playing a full part in tackling social problems.

In a safer Merton people will be able to exercise their right to live and work in a secure environment free from the fear of crime. As part of a stronger Merton, people will respect the rights and social customs of others, will share a greater sense of social responsibility, will feel more valued, and will be willing and able to play a part in the life of the borough.

We will maintain our current position as a low crime borough, and our residents will see Merton as a safe place to live, work and learn. Relationships between Merton's many diverse communities will be positive, the voluntary and community sector will play a full part in tackling social problems, and citizens of the borough will actively contribute to the development and delivery of council services.

Our priorities for the next three years

Safer and stronger communities are key to the wellbeing of our residents, the success of our businesses, and the enjoyment of visitors to the borough. A sense of community confidence and strong relationships across communities are vital to establishing a sense of place in which residents have pride, businesses wish to invest, and people want to visit. Key elements of establishing a sense of Merton as a safe place with strong community relations include:

- safety from crime, substance misuse and anti-social behaviour;
- road and pedestrian safety;
- preventing fire, both intentionally started and accidental;
- reducing risk from natural dangers such as flooding; and
- creating a strong sense of belonging to Merton, the place, across all our diverse communities.

We will deliver this challenging agenda in a number of different ways. The 'safer' element of this theme will mainly be delivered through the work of 'Safer Merton', the borough's Crime and Disorder Reduction Partnership.

Safer Merton brings together agencies and the community to reduce crime, substance misuse and anti-social behaviour in Merton. In particular, the council works closely with the Metropolitan Police, health authority and fire authority to tackle these issues.

Priorities in this area will be identified using a tool called the Strategic Assessment which is a culmination of an audit of data, from partner organisations (on past performance and trends), public consultation and national intelligence. These priorities will, therefore, reflect crime figures, public concern and central government priorities. We will continue to work with our partners to drive further improvements across all the areas of concern.

The objectives set will be delivered in partnership with individual partners taking a lead role, for example the Fire Brigade on fire prevention, Transport for London on road and pedestrian safety, Environment Agency on flood prevention, the Police on crime, Health on substance misuse, and the Council on community confidence.

In relation to building stronger communities we have a responsibility to promote cohesive communities and to empower citizens to bring about change in their communities. Merton is typical of other London boroughs in that its residents come from a wide variety of cultural and religious backgrounds. As a community leader the council has a clear responsibility to help strengthen the bonds between different groups, particularly those most recently arrived, and ensure that all council policies and service decisions take account of the needs of the entire community, including people who are recent arrivals.

Over the next three years the council will continue to work in partnership with other key local stakeholders, and will strive to support the delivery of centrally and locally set targets. The council will work with the other members of the Merton Partnership to strengthen the links between Merton's diverse communities. We will improve the way all residents are involved in the design, commissioning, delivery and monitoring of services.

We will also work to maximise the involvement of residents in the council's democratic processes. This includes, for example, the scrutiny function and our neighbourhood governance arrangements to improve the way councillors, particularly frontline councillors, engage with their constituents. Not least, we will also ensure that we continue to treat residents, service users and staff in a fair and non-discriminatory way.

Healthier Citizens

Following the merger of the Healthier Communities and Older People thematic groups, a new substructure has been identified according to themes rather than client groups. The four delivery groups will be: Safeguarding of Adults, Service Delivery, Healthy Living and Citizenship and Inclusion.

The Healthier Citizens work programme will continue to deliver the areas identified in the Local Area Agreement but work is in hand to agree priorities across the new thematic partnership for the future, particularly as other vulnerable groups become represented more formally in the wider issues that support well-being.

Aims of the individual delivery groups are as follows:

Safeguarding: the Vulnerable Adults Strategy Team is a multi-agency body that oversees the implementation of and promotes the working of the Safeguarding Adults policy and procedures. While there has been a lot of publicity round safeguarding children, issues relating to adult abuse (physical, mental, financial etc) is of equal concern.

Service Delivery: The Service Delivery group will prioritise both national and local health and social care indicators relating to services within the Community. The group will monitor all related indicators on a regular basis and evaluate programmes.

Healthy Living: maximise the impact of healthy living initiatives on improving health and well-being, and reducing health inequalities in Merton. Priorities will cover tobacco control, reduction in obesity levels, supporting mental well-being, alcohol related work, and reduction in incidents of falls.

Citizenship and Inclusion: identify the wider areas that impact on well-being and independence for vulnerable groups and ensure that their voice is heard. The Strategy for People Aged 50+ identified many of these (transport, housing, leisure etc) and these are relevant to many other groups as well as older people.

Older People

Our ambition

We will engage with older people about their needs and aspirations as part of a broad approach that promotes choice, control and independence.

While the traditional areas of health and care are not left aside, the major direction is one where people over 50 are able to access information easily as well as advice and support in putting their choices into effect.

The Celebrating Age Strategy published in 2007 drew on the issues that older people identified. These covered a wide area of interest, ranging from transport and mobility, through access to leisure and cultural activities, to housing and relationships with the younger generation. Progress on the strategy's action plan was reported in 2008. It also informed the focus for the Local Area Agreement, the document that the council and its partners drew up with the government as key areas of concern for this locality.

Within the Local Area Agreement, there are specific targets linked to services that help older people retain independence. Furthermore, we will seek to improve older people's satisfaction with access to information and support, and the feeling that their voice is truly represented as decisions are made or systems developed that affect their lives.

The council works in partnership with a range of agencies connected directly with older people, such as Merton Seniors Forum and Age Concern Merton, as well as with other agencies, such as the police and fire brigade, where their remit is wider. These agencies not only provide representation at meetings but also actively participate in providing information and resolve some issues of concern to older people. For example, older people consultation highlighted that bus drivers needed to take more care when pulling away so that passengers were not subject to knocks or falls. Working in partnership, Transport for London instigated new training and a system of mystery shopping to test drivers' improved performance. Also, the police now travel on buses at certain times to reduce instances where older people feel threatened by the influx of large numbers of school children. However, whilst some progress has been made, it is recognised that there remains more work to do.

CSCI (Commission for Social Care Inspection) conducted an inspection of older people's services in early 2008. The report rated the delivery of personalised services as 'adequate' but felt that due to strong leadership the council's capacity to improve was 'promising' – an advance on the 'uncertain' rating delivered previously. At the same time, the safeguarding of vulnerable adults was scored as 'good'. An action plan has been drawn up to address the areas where improvement is required.

The Celebrating Age Festival was held for the seventh time in 2009 and attracted ever-growing numbers of participants to an increased number of events across the borough. The attraction of the festival is important as it

embodies the views of older people and reflects their active participation. It attracts people from a range of backgrounds and abilities; and also promotes access to information and the services that exist to help older people. We will continue to support the festival as it provides a focal point where a range of issues of concern to older people can be brought together.

Children and Young People

Our ambition

Merton has the highest ambitions for children and young people. We will work with our partners to provide outstanding services, which promote and improve the life chances of all children and young people. We are particularly determined to help those facing obstacles or challenges to overcome them, and to 'bridge' or 'narrow' the gap in outcomes which exists between some children and their peers.

We are determined that all children and young people in Merton thrive and prosper. This means, in line with the government's 'Every Child Matters' agenda, that children and young people:

- are healthy – physically and emotionally;
- stay safe – in their families and communities;
- enjoy and achieve – in and outside early years settings and schools;
- make a positive contribution – individually and in groups in their communities; and
- achieve economic wellbeing – through their childhoods and into independence.

Our priorities for the next three years

Since 2007, external evaluation of children's services in Merton, via the Joint Area Review and Annual Performance Assessment frameworks, has concluded that services are generally good and that there is good capacity across services for further improvement. The annual rating for children's services published as part of the new Comprehensive Area Assessment also gave a rating of good. This year, Merton's Children's Trust is publishing an updated Children and Young People's Plan (CYPP). The priorities below are currently being refined by the Children's Trust and will be formally published in the new CYPP in May. The priorities identified are key to the overall achievement of our ambitions to provide outstanding services for children and young people:

Priorities:

Securing the health and well-being of children and young people, in particular through:

1. Focusing activity on reducing obesity as an enabler for improved health and well-being.
2. Increasing the alignment of drug and alcohol work as part of integrated youth support services.

Maintaining a robust set of services to support the safeguarding of children and young people from harm and neglect, in particular through:

3. Further embedding the common assessment framework (CAF) and lead practitioner mechanisms within the Children's Trust partnership.
4. Strengthening focus on domestic violence and its impact on children and young people's well-being.

Maintaining a strong focus on challenging underperformance, raising standards and levels of pupil attainment in schools and early years settings in particular through:

5. Extending the post-16 academic and vocational offer to Merton's young people.
6. Working with schools and early years settings on activity to support the Narrowing the Gap project/ agenda.

Supporting children and young people to make a positive contribution in their communities, in particular through:

7. Reducing instances of bullying, anti social behaviour and violence perpetrated and experienced by children and young people.
8. Increasing the engagement of young people in the process of local democracy and the functioning of Children's Trust agencies.

Improving the economic well-being of families and young people, in particular through:

9. Further progressing the partnership approach to minimising the negative impact of child poverty on children and young people.
10. Focusing activity on supporting young people who are vulnerable to poorer outcomes through transitions within and beyond children's services.

Managing the delivery of local high quality services, further strengthening the partnership approach, and maximising value for money, in particular through:

11. Ensuring that safeguarding services are robust and incorporate practice development and improvement in line with the Laming review, and public policy guidance.
12. Further integration of commissioning where it makes sense to do so.
13. Adopting the 'Think Family' approach - particularly through the parenting strategy, intergenerational strategy and further engagement with adult services.

14. Further strengthening Children's Trust governance, including strengthening the relationship between the Children's Trust Board and the Local Safeguarding Children Board.
15. Working with primary schools to ensure the availability of sufficient school places to meet growing demand

Cross-cutting themes

There are a number of elements that run through all the strategic themes of this Business Plan. These include; providing high levels of customer service, understanding the environmental impact of everything that we do, ensuring that equalities and diversity are recognised and taken into account, and delivering outcomes in a way that ensures value for money for residents. Although responsibility for these issues is led by specific teams, in reality they cut across all the work that the council does, and are factors that we need to consider when delivering all of the priorities set out in this plan. The purpose of this section is to set out our strategic approach to these issues and to show how we will ensure that they are taken into account in all that we do.

Customer access, customer services and customer care

Merton is a council with big ambitions and the determination to deliver excellent, value for money services. One of the ways we will achieve this is by putting our customers first – in other words, making sure we organise what we do around the needs of our customers. We value our customers and are continually working to provide quality services to everyone. At Merton we believe that excellent customer services should be accessible by all and that nobody should be excluded from accessing our services.

Customers will be able to access information and services through channels that are more convenient to them and more cost effective to the council. Self access to services and self resolution of enquiries should be the norm for the majority of users, with resources directed to those who need more support. Recognising that face to face contact and telephone calls will continue to be important access channels, we will optimise the use of existing cost effective channels including Merton Link and the contact centre. The growth of the Internet and mobile technologies has seen a significant growth in customer self service and the development of different forms of networking has seen a huge rise in the capacity of citizens to offer help to one another. Customers are feeling increasingly empowered and are demanding the same level of choice from council services. We will therefore, review our processes and introduce new technologies where they provide cost effective improvements to meeting customers increasing expectations.

Our corporate customer service standards details the level of service our staff will provide to all customers when they visit, telephone, write, e-mail or make a complaint, to ensure that all customers, however they contact the council, receive the same excellent standard of customer service.

Merton Link, provides the first point of access to all council services, both face-to-face through our one-stop shop, and by telephone through the contact centre. We are now continually reviewing processes in order to improve the customer's experience and increase the number of enquiries that are resolved at the first point of contact. The emphasis over the next couple of years will be on improving the provision of self-service.

The council is also promoting Customer Service Excellence (CSE) accreditation across the council. CSE will help the council to improve its customer service, and demonstrate to customers that we are putting them first.

In line with the new duty to involve, the council will be continuing to build on its consultation and community engagement programmes, ensuring that we know who our customers are, what their preferences are and that we deliver services accordingly.

Our priorities for the way in which we treat our customers are set out in the [table on page xx \(part of priorities table\)](#).

Consultation and community engagement

In order to ensure that services we develop and deliver meet the needs of people who live, work or visit Merton, it is essential that we know what their concerns are. We seek feedback from local people in a variety of ways. For example, we carry out surveys by post, face-to-face, or over the telephone and we regularly review complaints to see how we can improve services. Some local people also sit on regular tenants and residents panels, attend Community Forums or take part in meetings we have with council service users. Thanks to this involvement, we are able to make sure that our services meet the needs of local people.

What local people tell us does make a difference. For example, we have:

- introduced free swimming for swimmers aged 16 years and under at our three pools and awarded over £500,000 in grants to almost 100 groups of young people for activities, modernising buildings, and equipment in response to young people telling us that activities aimed at them needed to be improved;
- reviewed the findings and noted recommendations from residents on the Morden Park consultation, including the need for facilities to be provided for all age ranges, including teenagers. As a first step in making residents' vision for Morden Park a reality, the council has already forged ahead with the installation of a brand new state of the art multi-use sports and play area especially designed for teenagers. This follows the council investing £45,000 into the project. After consulting with pupils from nearby Bishopsford Arts College, the area includes equipment that provides a mix of physical and play challenges for teenagers and is open and ready for use now;
- reintroduced the dispersal zone in Mitcham and extended the dispersal zone in Wimbledon in response to local people's concerns about drunk and disorderly behaviour in these areas.

The Merton Partnership is developing a Community Engagement Strategy that sets out the commitment of local services to work together to involve people in deciding how we design and deliver local services. This will be underpinned by a community engagement framework to be introduced in

2010/11 that will outline standards and expectations for council consultation and engagement activity.

Sustainable development

This theme reflects our influential role in helping to safeguard the environment for future generations. We have a national reputation in this area, particularly for our innovative work on reducing carbon dioxide (CO₂) emissions through our planning policies. We recognise our role as an estate manager, service provider and community leader and are committed to developing a sustainable and low carbon future for our residents and businesses. There is a necessity for us to adapt and contribute to mitigating climate change - this underpins all of our practices and policies and is a key consideration in all our decision making. This is not just a moral imperative – there are also legislative and good practice reasons for supporting it.

As a council we are working to reduce our carbon footprint and we have signed up to the 10:10 commitment.

As an estate manager and service provider we aim to be seen as a model authority in relation to our own energy and natural resource consumption and CO₂ emissions. We will continue to work hard to:

- reduce the use of energy produced from non-renewable resources, notably coal, oil, and gas;
- minimise the use of non-sustainable resources when we carry out construction work;
- reduce our energy consumption;
- maintain water levels and reduce our use of water in all our service areas;
- maximise the proportion of energy provided from renewable sources, such as wind, solar, ground source and biomass;
- minimise carbon emissions from our vehicles through the use of fuel efficient and/or hybrid energy vehicles;
- reduce the waste we produce, whilst simultaneously increasing the proportion of waste that is composted, reused, and recycled, and sustainably treated;
- increase the biodiversity of our open spaces;
- develop staff travel policies which reduce car usage; and
- apply sustainable procurement practices including the use of local resources.

In addition, we will achieve much more through the services we provide to Merton's communities often in partnership and/or as a community leader. This will include:

- extending our planning policies which relate to reducing CO₂ emissions;
- the strict application of building control regulations;
- developing and applying traffic/transport policies and schemes that encourage walking, cycling and the use of public transport;
- promoting behavioural change to residents and businesses offering help and advice where needed;
- encouraging property developers to be innovative in their building and layout designs; and
- helping residents and businesses to recycle, improve the efficiency with which they use resources, minimise the waste they produce, and increase the proportion of journeys made by sustainable travel.

Through our own practices, regulation and partnership working, we are making a real contribution to ensuring Merton's communities have a more sustainable future. Following this approach, we can and will adapt and contribute to mitigating the effects of climate change to the benefit of present and future generations.

The 'Merton Rule' planning policy requires new buildings to cut CO₂ emissions by at least 10% using on-site renewable energy equipment. The concept has been emulated in the Mayor's London Plan and by planning authorities across the country. The new national Planning Policy on Climate Change will require all boroughs to adopt a Merton Rule style policy. The advent of the policy has led to an exponential rise in the renewable energy industry, and brought climate change into the heart of the planning process.

Equalities, diversity, and community cohesion

Recognising that Merton's diversity is a strength, the council has taken a proactive approach to promoting diversity, ensuring it is a regular part of everything we do. Merton Council has a strong strategic vision and clear ambition for the borough: to tackle any disparity between different groups and, in particular, to bridge the gap between the more deprived east of the borough and the more affluent west of the borough, through providing access to opportunities for all residents and delivering high quality, appropriate services. The Sustainable Community Strategy and the LAA provide the strategic vision and the delivery framework to bridge the gap.

The council has a clear focus on listening to customers and working with all residents to deliver services in a fair and non-discriminatory way, for all. We are working to ensure that all our staff understand and recognise the equalities implications of our activities, that all policies and changes to policies take equalities implications into account and that services are shaped with this information in mind.

We believe that it is our duty as a council, alongside our partners, to promote a 'Life in One Community' culture and to help break down barriers and ignorance, bringing together our different communities with respect and

understanding for each other. This work has contributed to a good sense of community cohesion with 82% of residents feeling that people of different backgrounds get on well together in their area. The council believes that by mainstreaming our approach to equalities and community cohesion:

- services will become more accessible and relevant to individual needs;
- we will progress in our aim to eliminate unlawful discrimination, harassment and hate crime;
- everyone will have the opportunity to become more involved in shaping their community and in making decisions that affect them;
- we will develop a workforce that is more representative of our community; and
- everyone will be able to equally access opportunities.

We are committed to promoting equality and community cohesion throughout the communities of the borough. Our own vision supports the Merton Partnership's inclusive vision of 'a great place to live and call home, where citizens take responsibility for their own lives, their neighbours and the environment.' We have clear ambitions for our communities and, building on our work to date, have set ambitious challenges over the next three years to help us realise our vision. These include:

- achieving the 'Excellence' level of the new Equality Framework for Local Government;
- promoting disability equality, including improving the accessibility of council buildings with public access and where required, making reasonable adjustments for customers and staff;
- proactively promoting equality of race, gender, disability, age, faith and belief, and sexual orientation and tackling discrimination across Merton and in the workplace, working with community organisations, staff representatives, contractors and other partners;
- making better use of community and service information to ensure that services are improved for all groups, and changes in population and views are measured;
- implementing the Corporate Equality Scheme (which incorporates our statutory Race, Disability and Gender Equality Schemes), the Participation Promise for children and young people, the Older People Strategy and Merton Unity Network BME Strategic Plan as resources allow; and
- promoting a sense of belonging by implementing the Community Cohesion Strategy to encourage more interaction between people of different faith, sexual orientation, ethnic, cultural and age groups.

Efficiency and Value for money

The council is committed to demonstrating that it is an efficient organisation by ensuring that it is achieving value for money in the delivery of all its services. Providing value for money is not about cutting services but is about delivering better, more efficient, services at a time when resources are scarce.

The Government has set councils challenging targets of achieving 10.5% efficiency savings between 2008/09 and 2010/11. Merton continues to set challenging efficiency targets, above this level. Areas for savings will be identified through a comprehensive programme of service reviews that look at both individual service areas and large cross-cutting corporate issues such as procurement or customer contact. The following are some examples of ways that we are improving the efficiency and value for money of services as a result of these reviews:

- improving our procurement systems to ensure that we achieve the best value we can from our contracts;
- working in partnership with other boroughs (for example we are working with other boroughs in South London to improve our waste disposal systems, and we have entered into a 'shared services' arrangement with the London Borough of Sutton for the provision of HR services);
- increased use of new technologies and flexible working arrangements to provide customer-focused services;
- investing in our staff so that we retain good officers and reduce the number of agency workers;
- providing more customer-facing staff and simplifying and reducing back office bureaucracy;
- re-engineering of our processes to reduce duplication and ensure that customer needs are the priority; and
- improving our approach to managing projects and programmes.

Progress against our efficiency targets is monitored on a regular basis by the Corporate Management Team and Cabinet, and reported to Government via National Indicator 179. We have also developed a suite of value for money indicators that allows us to monitor our performance on some of the key drivers of value for money in individual services against best practice levels.

The value for money strategy needs the support of residents, service users, and staff to succeed. We will take decisive action when residents tell us where they think value for money is not being delivered. We will also listen to what our customers tell us to help redirect the resources released from these service reviews into those front line services where they are most needed.

Transformation Programme

The council has recently embarked on its transformation programme. The aim of this programme of work is to:

- transform the council into a leaner, more responsive organisation;
- release resources to improve service delivery and the customer experience;
- provide more efficient services enabling us to keep down council tax;
- meet our business plan targets for making efficiency savings of 4% each year between 2009 and 2012; and
- ensure that we balance our budget within an increasingly difficult financial climate and reductions in public sector funding.

Key to this is changing the way we do business, particularly through modernised back office functions, to ensure that we can secure our essential front line services and continue to provide good customer service within reducing resources.

The Merton transformation programme will provide a strategic and transformational approach to our efficiency work looking at issues across the whole council to ensure that decisions are made that are sustainable in the longer term.

There are three main themes to this work

- 1) Shaping a target (future) operating model for the council and implementing this. Work is ongoing in all areas of the council to determine how our target operating model for each service will look, and as part of this we have already started to review how we provide our corporate support services (finance, IT etc) and explore opportunities for joint working with other boroughs in a number of areas.
- 2) Transforming the way we procure goods and services to ensure that we maximise the best values from our contracts. This work has delivered £800k savings for 2010/11 and a programme of work is in place to review all our major contracts.
- 3) Carrying out a programme of Lean reviews across the council to identify waste and make our services more efficient. We started our first Lean reviews in January 2010, looking at improving processes in revenues and benefits, adult social care, fostering and adoption and waste services in order to provide better services for our customers.

How we will deliver this Business Plan

Two crucial factors in our ability to deliver against the Business Plan are:

Corporate culture – fostering a workplace ethos that values and supports all staff, encourages innovation, and is, above all, focused on improving outcomes for the residents, tax payers, service users and visitors to Merton.

Corporate capacity – our systems for ensuring sound financial, performance and risk management arrangements, and having the right ICT infrastructure in place to support service delivery. The role of Overview and 7 Scrutiny is also picked up here as a key mechanism for the good governance of the organisation.

Corporate Culture

Vision and ambition

Our vision for the council as an organisation is that it will put residents, tax payers, service users and visitors to Merton first, providing the services that they need at the prices we can afford. We want residents to really experience a council that understand that it exists to meet their needs and treats them with respect. We want them to know that the council provides them with excellent value for money. We capture this in the phrase **Putting You First**.

To achieve this we recognise that we need to make even more improvements to our services and the way that we operate as an organisation.

Therefore Merton's ambition is to be **Fitter, Faster and Focused** to deliver:

- better schools, better standards;
- a safer and secure place to live;
- cleaner streets and greener places;
- better services and a value for money council tax; and
- care for the young and elderly.

This can only be delivered thanks to staff who:

- have a 'can do' attitude;
- take responsibility; and
- get it right first time.

Merton's staff are its greatest asset, and the organisation's objectives will be met if everyone performs well. To achieve this, Merton will ensure that its staff have the right knowledge, skills and behaviours to work efficiently.

Workforce development

Developing this corporate culture in order to achieve the 2010/13 Business Plan objectives and deliver the priorities is a challenging task. We recognise that to achieve these, we must have a workforce that is well led, well motivated, diverse, flexible, focused on the services we provide, and developed to carry out their roles. Therefore, workforce planning is now an integral part of the business planning process, highlighting any specific areas for improvement and setting tangible improvement targets.

Our annual Workforce Development Plan details the current workforce profile and identifies associated workforce issues and needs. It sets out a medium to long-term strategic direction and outlines priority actions for meeting our workforce requirements to support delivery of our service objectives.

Our people strategy, 'Achieving Excellence Through People', is focused on making the best use of the skills of staff to deliver the services residents demand and deserve. It provides the strategic framework within which the people elements of the Business Plan will be developed. There are three key people themes, all of which embed our commitment to a positive approach to diversity within the workforce:

- Developing knowledge and skills;
- Rewarding, recognising contribution and motivating people; and
- Managing performance.

To meet the Business Plan priority 'we will have the right people, in the right job, doing the right things at the right time', a programme of improvements will be taken forward. The three key planks of this programme are as follows.

1. We will support all staff who work for Merton including, where possible and appropriate, the staff of our contractors and providers, to understand:

- the strategic direction and objectives of Merton;
- their customers e.g. residents, councillors, other members of staff, and partners;
- the linkages to the 'Golden Thread' (what people do and how this links to the council's objectives);
- their operational area of business;
- the business planning process;
- how to link learning to business objectives; and
- the people management procedures: attendance, capability, dignity at work, disciplinary, grievance, performance management, appraisal process and health and safety.

2. We will support all staff who work for Merton, and particularly Merton's managers, to:

- lead, direct, inspire and motivate the team using a broad range of techniques e.g. coaching, thanking staff, mentoring, shadowing and generally engaging and involving them;
- manage staff and team performance, undertake inductions, appraisals and one-to-ones;
- be able to use resources effectively and efficiently to meet service delivery targets and provide value for money;
- understand the climate – political, environmental, social and technical – in which they operate, and become politically aware;

- develop themselves and others;
 - be able to work across departmental boundaries and in partnership with suppliers, agencies, contractors and partner organisations such as the Police and the Primary Care Trust;
3. We will encourage all staff who work for Merton to:
- demonstrate visible leadership and good customer service;
 - perform to the best of their ability and lead by example;
 - be prepared to take informed decisions and appropriate risks;
 - deliver continuous improvement by reviewing service delivery and involving staff in this process; and
 - be receptive to new ideas and be solutions-focused.

Developing knowledge and skills

Merton's Corporate Learning and Development Plan ensures that available learning resources are tailored to meet the business needs, so staff are equipped with the necessary skills to meet the changing needs of the organisation and fulfil the council's business goals. We will, therefore, regularly review the learning and development strategy and the associated learning needs across the organisation to ensure we are meeting those needs and that services are good quality and customer-focused, working with outside bodies and partners where appropriate.

We will continue to invest in leadership development at all tiers of the organisation, as managers need the right skills to lead and motivate high performing teams. Managing change is another key activity where we will need to invest, to ensure all staff and managers are equipped to deal with the on-going change within the council.

We also recognise that all staff need to feel they are able to contribute to the organisation, so we will build on our employee engagement programme and staff survey results, and continue to harness the ideas and skills of all staff and focus them on supporting the council in becoming Fitter, Faster, and more Focused. Our Corporate Investors in People accreditation demonstrates the quality of the council's leadership and management to enable our commitment to recognising our staff as the key deliverers of excellence.

Managing staff performance

Our performance appraisal processes and people management procedures form the basis of embedding a performance culture within the council. We are currently reviewing our people management procedures to ensure they are effective and fit for purpose, taking into account the views of staff, managers and staff representative groups. We are developing managerial capabilities to deal with performance and change effectively.

Rewarding, recognising contribution and motivating staff

We are embedding a culture of celebrating success throughout the organisation, including the staff excellence awards and introducing staff 'thank you' cards. We are also continuing to provide the very popular staff well-being days.

Diversity

HR leads our enhanced programme to address the employment diversity agenda, ensuring we continue to foster a customer-focussed, responsive workforce that better reflects the community we serve. A recent inspection of our 'Workstep' employment scheme for disabled people showed significant improvements in the number of disabled people working in the council, supporting the council's strategic aim to build a strong and prosperous community for all.

A confidential employee verification exercise was undertaken during 2008 to encourage staff to declare their personal details, including ethnicity and disability, to ensure that we have the most up-to-date information available, and to offer workplace adaptations and support where necessary.

Merton is also the first local authority to host an Ambassador's programme. The programme focuses on engaging with community organisations by sharing the benefits of working for Merton and seeking their support to act as ambassadors to promote Merton as an employer of choice.

Corporate Capacity

Financial management

Our ability to achieve our targets over the period of the Business Plan is heavily dependent on the management of our financial resources. The Medium Term Financial Strategy is pivotal to enabling us to match our agreed priorities and targets to available resources. In order to achieve this, the budget process is on-going throughout the year.

Ensuring a budget is set that lets us achieve these priorities and targets within the context of a stable council tax presents a considerable challenge for 2010/13, particularly with the impact of the recession locally and the government's response nationally. We will be regularly reviewing the impact of the recession on our residents, customers, businesses, partners, and the council itself, along with how we are supporting citizens throughout the year.

Overall, in 2010/11, we will be managing a revenue budget of £XXXm and a capital programme of £50.691m. Around two thirds of our funding comes from central government, with the remainder coming from the council tax.

Our ability to manage our financial resources effectively is judged by the 'Use of Resources' element of the CAA. We have maintained our score of three out of four, achieving a score of three, in two of the components and a score

of two in the other. Due to the scoring mechanism and the locking of certain elements of our scores, we cannot increase our score to a four until 2012/13.

Performance management

The council has a Performance Management Framework, which lays out the principles of how we plan and manage improvement to our services. A key element of the framework is the 'golden thread', which is illustrated in the diagram xxx.

The golden thread links the various plans that we produce. It shows how budgetary and workforce planning feed into the business planning process and it demonstrates how each member of staff contributes to their team and departmental service plans, and ultimately to the council's overall priorities for improvement as laid out in this Business Plan. It also shows how the work of the council feeds into the Sustainable Community Strategy, which has been developed by the Merton Partnership (see page xx).

The Business Plan details how the council will be making its contribution to achieving the priorities laid out in the Sustainable Community Strategy and the Local Area Agreement. The priorities and targets set in this Business Plan were agreed after considering the expected budget and staffing resources of each department. This ensures that the targets, whilst challenging, can realistically be met. The targets will be reviewed every year, alongside the Medium Term Financial Strategy (MTFS) and workforce development plan, as part of the budget setting process. This will ensure that any changes in resources are reflected in the Plan, and that it continues to reflect our priorities as they change over time.

Performance against the targets in this Business Plan are published on the Internet every month on the 'dashboard'. The dashboard is discussed every month by the Corporate Management Team and by councillors through both Cabinet and the Overview and Scrutiny process. Annual performance on all Business Plan targets, as well as any statutory performance indicators such as the National Indicators, will be reported in October each year, alongside a financial summary, in our Annual Report (see page xx).

The effectiveness of our performance management system is judged annually by the Audit Commission as part of the 'Organisational Assessment' element of the new Comprehensive Area Assessment. In 2009 we scored a 3 for the managing performance element of the organizational assessment.

Risk management

Effectively identifying and managing risks is another theme that is central to all our strategic decisions and the day-to-day running of council departments and services. Embracing risk management across the council ensures:

- continuous provision of quality and efficient services to our residents;
- significant risks are identified with partnerships and partnering organisations;

- a good reputation and an improved public image;
- compliance with statutory regulations and a higher CAA rating;
- better value for money through efficient processes and improved service delivery;
- a safe and healthy work environment;
- better and well-informed decision-making; and
- fewer and smaller service disruptions.

Our Risk Management Strategy is fit for purpose, taking account of changing circumstances, and addresses the requirements of the Comprehensive Area Agreement. We have also developed a Risk Management Toolkit to support officers in identifying and classifying risk.

As risk is inherent in all that we do, it has been identified as a core competency for managers and a framework has been developed to address the risk training needs of managers.

Departments evaluate risks as part of their everyday processes and add any risks identified to the department's risk register. Risk ratings provide a priority list of risks that need immediate attention, and those of less priority that nevertheless continue to need to be monitored. Risks are monitored on a regular basis by the Corporate Risk Management Group (CRMG) and the Corporate Management Team, as well as departmental management teams.

IT strategy

The IT strategy is linked to the council's forward business and service plans through key objectives.

The strategy is influenced by our customers' needs and the Value for Money (VfM), and includes input from business units and IT. We prepare a VfM and a business case for each project before starting work, and each project needs approval from a director to confirm:

- that the project should go ahead;
- there is revenue to support ongoing expenditure; and
- that the benefits will be delivered.

The strategy for the coming four years will be designed around the following principles:

- We will optimise the use of our existing technology and new technology will be introduced where it reduces costs and improves service delivery.
- We will have fewer, better systems.
- Services enabled by technology will be designed around the customer and provide a consistent customer experience through the web, telephone and face to face.

Our use of technology will:

- support a shared service culture between the front and back office and external partners
- reduce duplication of information and tasks as far as possible
- allow a systematic approach to innovation
- support transformation of processes through automation
- be geared towards self-service for customers, Councillors and staff
- support managers and decision makers by providing management information at the appropriate level
- support a move towards a paperless office
- support different ways of working - mobile, hot desk, office based and home based

The role of overview and scrutiny

We believe that effective scrutiny is essential to good governance. With this in mind, the council's overview and scrutiny function has an important role to play both in terms of developing the Business Plan and monitoring how it is delivered:

- overview and scrutiny councillors are consulted during the drafting of the Business Plan, providing an opportunity to assess the overall direction of the plan and the appropriateness of the priorities and targets; and
- as the Plan is rolled out, overview and scrutiny is responsible for holding the cabinet to account over the delivery of the Business Plan.

Furthermore, overview and scrutiny will be involved in the development of new and revised priorities and targets as the council meets and exceeds those set out in this Business Plan.

Comprehensive Area Assessment

In 2009, the Comprehensive Area Assessment (CAA), replaced the CPA (Comprehensive Performance Assessment). Its stated intention is to provide a lighter touch inspection regime, focusing more on the local area, and upon outcomes. The CAA assesses how well the council works in partnership with other organisations in the borough. The two main elements of the CAA are:

- (i) **Organisational assessment**, which looks at the way in which we manage our finances, govern the business, manage other resources such as our staff and our property and assets, and how we manage our performance. These are combined into an overall assessment of organisational effectiveness, helping ensure that local public bodies are accountable to the public for their quality and impact. Merton scored a 3 out of 4 for the 2009 organisational assessment
- (ii) **Area assessment**, is a joint inspectorate narrative judgement on outcomes in the borough, providing a sharper focus on the

accountability of partners such as the police and health organisations for their contribution to improved outcomes locally.

Lobbying Strategy

It is important that we make the best possible case to central government and other relevant bodies reflecting the clearly the reality of local needs and making sure that local people get a fair share of available resources.

To this end Merton's lobbying Strategy will focus on achieving a fair share of resources for Merton and within that there will be a focus on distribution following the 2011 census and adequate schools funding reflecting the reality of local need.

Glossary

A

Audit Commission

An independent public body responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health, criminal justice and fire and rescue services. Assesses the overall performance of every council in England through the Comprehensive Area Assessment (CAA). More information can be found at www.audit-commission.gov.uk

C

Community Forums

A Community Forum is a meeting of local ward councillors. They allow local people to talk directly to Councillors about issues in their area, and are an important mechanism for consultation. Merton has five Community Forums. More information can be found at: <http://www.merton.gov.uk/communityforums.htm>

Carbon footprint

This is a measure of the impact human activities have on the environment in terms of the amount of green house gases produced, measured in units of carbon dioxide (CO₂). More information can be found at www.carbonfootprint.com

Child Concern Model

This guidance introduces a structure for consultation, co-ordination and co-operation between agencies to promote children's welfare, as well as to protect them from abuse and neglect. Guidance is given in modular form, providing detailed guidance for workers in meeting the needs of children and young people, from those at the lowest level of vulnerability and disability requiring a minimum amount of support and/or services, through to those at the highest level, who may require immediate protection and/or supportive services. A framework is provided to identify the different levels of vulnerability and disability children/young people may experience.

Community Plan

A ten-year plan that sets targets for how Merton will look in 2015 taking into account the concerns and priorities of residents. The plan was developed through consultation with the community and is owned by the Merton Partnership. The plan was refreshed in 2008, with implementation of the new Sustainable Community Strategy from April 2009. More information can be found at <http://www.merton.gov.uk/community/communityplan.htm>

Comprehensive Area Assessment (CAA)

Comprehensive Area Assessment (CAA) was introduced as part of the Local Government and Public Involvement in Health Act. It is a more light-touch regime, focusing on local areas, outcomes, and how well the council works in partnership with others. It consists of a risk assessment, a Direction of Travel label, a Use of Resources judgement and an assessment against the 198

national indicator set. The first CAA results were announced in October 2009. More information can be found at <http://www.audit-commission.gov.uk/cpa/cpatransition.asp>

D

DCFS national floor targets

Minimum performance levels set by government to be achieved by all schools. More information can be found at <http://www.dcsf.gov.uk>

E

Equality Framework

The Equality Framework for Local Government (EFLG) will replace the Equality Standard for Local Government (ESLG) which has helped to mainstream equalities considerations in service delivery. To reflect recent demographic changes and emerging thinking on the nature of equality and diversity, the new framework will enable local government to broaden activity to emphasise equal life chances for all. In addition to supporting anti-discrimination work relating to race, gender, disability, sexuality, age and religion/ belief, the EFLG will encourage local government activity to support other groups who may face disadvantage and discrimination, such as white working class boys, looked after children and groups like Gypsies and Travellers. More information can be found at: <http://www.idea.gov.uk/idk/core/page.do?pageId=8488097>

G

Green Flag awards

The Green Flag Award is the national standard for parks and green spaces in England and Wales. The award scheme began in 1996 as a means of recognising and rewarding the best green spaces in the country. Awards are given on an annual basis, and winners must apply each year to renew their Green Flag status. More information can be found at www.greenflagaward.org.uk

H

Healthy Schools Award

The National Healthy School Standard is a national guidance framework for local health and education partnerships. It was produced by the Department for Education and Skills and the Department of Health in 1999. The Programme has a key contribution to make in raising pupil achievement and promoting social inclusion. It provides a framework within which local healthy schools programmes can tackle inequalities and aim to improve the health and emotional well-being of young people. More information can be found at <http://www.standards.dfes.gov.uk/sie/si/SfCC/goodpractice/nhss/>

J

Joint Area Review (JAR)

Joint area reviews will be conducted in each children's services authority area in the three years from September 2005. Reviews will take the place of separate inspections of council education and children's social care services and will cover other services provided in the local area. Evidence from other

inspections, such as schools and residential settings, will contribute to the coverage. Normally, reviews will take place at the same time as corporate assessments of councils for the CPA, with documentation, judgements and methodology aligned to make the processes complementary. Merton's JAR took place in March 2007. More information can be found at <http://www.merton.gov.uk/cpa>

L

Local Area Agreement (LAA)

An agreement between the local authority, its partners and central government outlining key priorities to be met by the borough over a three year period (April 2008– March 2011). These priorities are measured through performance indicators. Delivery of 12 of these will result in the Partnership earning up to £5.5m in performance reward grant. The framework for LAAs was updated as part of the LGPIH Act. More information can be found at <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/localareaagreements/>

Local Government and Public Involvement in Health (LGPIH) Act

The Local Government and Public Involvement in Health Act became law in October 2007. It legislates for many of the proposals set out in the Local Government White Paper, 'Strong and Prosperous Communities. Key provisions include more devolved powers for councils and communities, a new performance framework, and a focus on partnership and community engagement. More information can be found at <http://www.communities.gov.uk/localgovernment/about/future-local-government>

Local Strategic Partnership (LSP)

Merton's Local Strategic Partnership is known as the Merton Partnership. It was established to deliver neighbourhood renewal and social inclusion within the borough. Membership draws together key decision makers from the public sector, community and voluntary sector, and the business sector, for example Merton Council, Merton Chamber of Commerce, Merton College, Metropolitan Police, the Merton Voluntary Service Council and the local PCT. It has a pivotal role in the development and monitoring of the Community Plan, the LAA and the Merton Neighbourhood Renewal Strategy. More information can be found at <http://www.mertonpartnership.org/mp-home.htm>

M

Merton Partnership

See Local Strategic Partnership (LSP).

N

National indicator set

The Local Government White Paper pledged to cut the number of national indicators councils had to collect and report on, from around 1,300 to around 200. The Councils will be assessed against this set as part of the CAA. More information can be found at <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/nationalindicators/>

Neighbourhood Renewal Strategy

Merton's Neighbourhood Renewal Strategy was adopted by the Merton Partnership in October 2004. It is a five year strategy running from 2005–2010. Its overarching aim is to narrow the gap between the more deprived wards in the east of the borough and the more affluent western wards by targeting resources and service delivery in the eight wards that comprise the Merton Neighbourhood Area. The strategy can be viewed at www.merton.gov.uk/neighbourhood_renewal_strategy.pdf

S

Statements

A statement of Special Educational Needs (SEN) is a legal document describing any learning difficulties that a pupil may have and specifies the extra help or equipment that they may need. More information can be found at <http://www.merton.gov.uk/learning/edinclusion/edspecialneeds/edinclusion-sen.htm>

Super Output Areas (SOAs)

Super Output Areas are a new geographic hierarchy created to improve the reporting of small area statistics in the UK. They are designed to be stable and of consistent size. Until now the standard unit for presenting local statistical information has been the electoral ward/division. Wards have two major drawbacks in this role: they vary greatly in size and they are subject to regular boundary changes. The Office of National Statistics developed SOAs to overcome these limitations by creating a range of areas that would be of consistent size and whose boundaries would not change. More information can be found at: <http://www.ons.gov.uk/about-statistics/user-guidance/lm-guide/availability/sub-nat-lm/super-output-areas--soas-/index.html>

U

Urban Design Group Charter

This is a ten-point action plan devised by Urban Design London and signed up to by the London Borough of Merton. It is aimed at tackling procedural, operational and skills-related barriers that prevent the delivery of the 'design vision' in London. More information can be found at <http://www.urbandesignlondon.com/>

V

Value for money

Value for money is the relationship between economy, efficiency and effectiveness.

- Economy is the price paid for what goes into providing a service.
- Efficiency is a measure of productivity – how much you get out in relation to what is put in.

- Effectiveness is a measure of the impact achieved and can be quantitative or qualitative.
- Value for money is high when there is an optimum balance between all three – relatively low costs, high productivity and successful outcome



MERTON COUNCIL
2010/2011 ESTIMATES

SUMMARY - SUBJECTIVE ANALYSIS

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
2,543	2,342

SUBJECTIVE ANALYSIS OF ESTIMATES

	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Employees	97,258	928	(5,639)	92,547
Premises	6,439	91	(249)	6,281
Transport	11,849	347	59	12,255
Supplies and Services	130,336	410	(1,179)	129,567
Third Party Payments	75,853	1,325	(932)	76,246
Transfer Payments	85,685	331	914	86,930
Support Services	34,914	0	(25)	34,889
Depreciation and Impairment Losses	10,182	0	0	10,182
GROSS EXPENDITURE	452,516	3,432	(7,051)	448,897
Income				
Government Grants	(218,095)	0	862	(217,233)
Other Reimbursements and Contributions	(16,238)	0	(299)	(16,537)
Customer and Client Receipts	(46,262)	0	(488)	(46,750)
Recharges	(37,865)	0	3,114	(34,751)
Reserves	709	0	546	1,255
GROSS INCOME	(317,751)	0	3,735	(314,016)
NET EXPENDITURE	134,765	3,432	(3,316)	134,881
Corporate Provisions	15,347	624	1,563	17,534
NET EXPENDITURE	150,112	4,056	(1,753)	152,415
Funded by:				
Formula Grant	66,751		982	67,733
Council Tax	81,961		202	82,163
Collection Fund	1,400		1,119	2,519
	150,112	0	2,303	152,415
	0	4,056	(4,056)	(0)

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	2,624	0.0
Section 117 (one-off in 2009/10)	741	0.0
VAT savings (one-off in 2009/10)	(650)	0.0
LABGI (one-off in 2009/10)	1,106	0.0
Levies	59	0.0
Change in corporate provisions arising from Housing Stock Transfer	(1,807)	0.0
Contingency	900	0.0
Single Status	(2,000)	0.0
Census	50	0.0
Release of growth for loss of income from P3/P4 t/f from E&R	470	0.0
Increase in costs of DR Recovery Centre	70	
TOTAL	1,563	0.0

NB: The Other Variations column incorporates savings proposals of £11.738m and growth of £3.236m together with corporate and technical adjustments and full year effects of previous years' savings and growth approvals which are incorporated in the Medium Term Financial Strategy

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.

SUMMARY

FULL TIME EQUIVALENTS

Number of FTE Staff

2009/10	2010/11
2,543	2,342

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			
	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Chief Executive's	2,466	56	(281)	2,241
Corporate Services	12,210	420	17	12,647
Education Services	33,002	469	425	33,896
Children's Services				
Environment and Regeneration	32,087	810	(2,201)	30,696
Housing General Fund	55,000	1,677	(1,276)	55,401
Adult Social Care				
Cultural Services				
TOTAL NET SERVICE EXPENDITURE	134,765	3,432	(3,316)	134,881
Corporate Provisions	15,347	624	1,563	17,534
NET EXPENDITURE	150,112	4,056	(1,753)	152,415
Funded by:				
Formula Grant	66,751		982	67,733
Council Tax	81,961		202	82,163
Collection Fund	1,400		1,119	2,519
	150,112	0	2,303	152,415
	0	4,056	(4,056)	(0)

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	2,624	0.0
Section 117 (one-off in 2009/10)	741	0.0
VAT savings (one-off in 2009/10)	(650)	0.0
LABGI (one-off in 2009/10)	1,106	0.0
Levies	59	0.0
Change in corporate provisions arising from Housing Stock Transfer	(1,807)	0.0
Contingency	900	0.0
Single Status	(2,000)	0.0
Census	50	0.0
Release of growth for loss of income from P3/P4 t/f from E&R	470	0.0
Increase in costs of DR Recovery Centre	70	
TOTAL	1,563	0.0

NB: The Other Variations column incorporates savings proposals of £11.738m and growth of £3.236m together with corporate and technical adjustments and full year effects of previous years' savings and growth approvals which are incorporated in the Medium Term Financial Strategy

CORPORATE ITEMS ANALYSIS				
	2009/2010 Estimate £000	Inflation £000	Other Variations £000	2010/2011 Estimate £000
Expenditure				
Cost of Borrowing including Minimum Revenue Provision	22,362		(1,004)	21,358
Capitalisation	(1,500)			(1,500)
Pension Fund	4,168	755		4,923
Centrally held provision for Utilities inflation including Leisure Centres	846	(131)		715
Bad Debt Provision	500			500
Contingency	2,000		900	2,900
Single Status	2,628		(2,000)	628
Census	0		50	50
Release of growth for loss of income from P3/P4 t/f from E&R	0		470	470
London Pensions Fund - Provision for deficit contribution	62		70	132
Increase in costs of DR Recovery Centre	0		70	70
				0
Levies:-				
Lee Valley	225		2	227
London Pensions Fund	296		(13)	283
Environment Agency	146		2	148
WPCC	260		(2)	258
GROSS EXPENDITURE	31,993	624	(1,455)	31,162
Income				
Investment Income	(3,982)		3,628	(354)
Asset Rentals: Depreciation & Impairment	(10,417)			(10,417)
VAT Savings	(400)		(650)	(1,050)
Section 117	(741)		741	0
LABGI	(1,106)		1,106	0
Change in corporate provisions arising from Stock T/F	0		(1,807)	(1,807)
GROSS INCOME	(16,646)	0	3,018	(13,628)
NET EXPENDITURE	15,347	624	1,563	17,534

NB: The financial information included above is the latest available but may change as the budget process develops and more up to date details become available.